

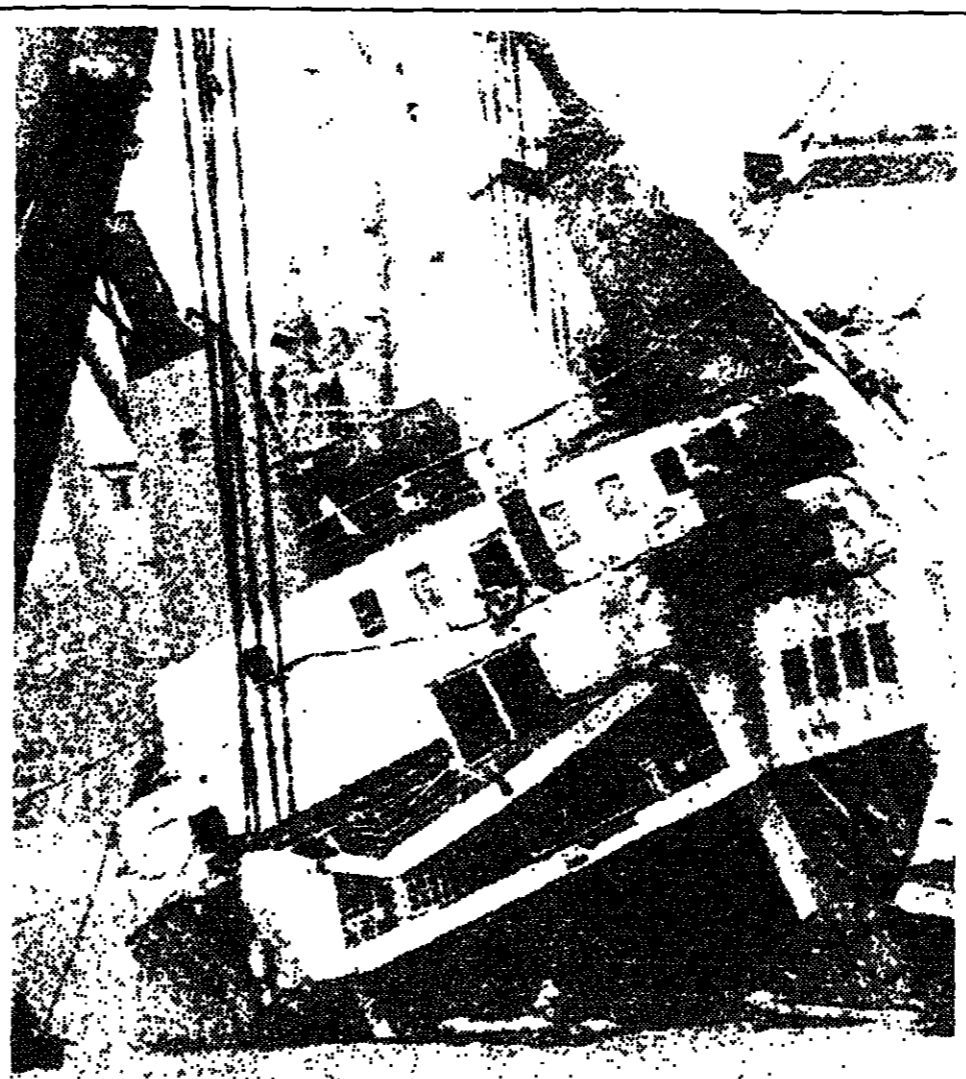
Airbus Engine Shelved

Doubt Is Cast On Future of A-340 Jetliner

By Warren Getler and Axel Krause International Herald Tribune LONDON — The designers of a high technology jet engine that would have powered Airbus Industries' proposed A-340 aircraft voted Tuesday to shelve the project...

Soviet Is Said to Alter Position on Test Ban

By Michael R. Gordon New York Times Service WASHINGTON — The Soviet Union has offered to postpone its demand for a total nuclear test ban and to concentrate first on new testing limitations, according to U.S. officials...



STERN DAMAGE — The badly damaged stern of the British ferry Herald of Free Enterprise rising from the sea Tuesday during the salvage operation off the Belgian coast at Zeebrugge.

Reagan Delays Use of Embassies

Congressmen, U.S. Protests In Moscow, Find 'Flaws' 'Violation of Sovereignty'

By Bill Keller New York Times Service MOSCOW — The two members of Congress who came to Moscow to investigate security at the U.S. Embassy have described security equipment and practices at the embassy as "fundamentally flawed."

China's Road to Change Suddenly Turns Bumpy

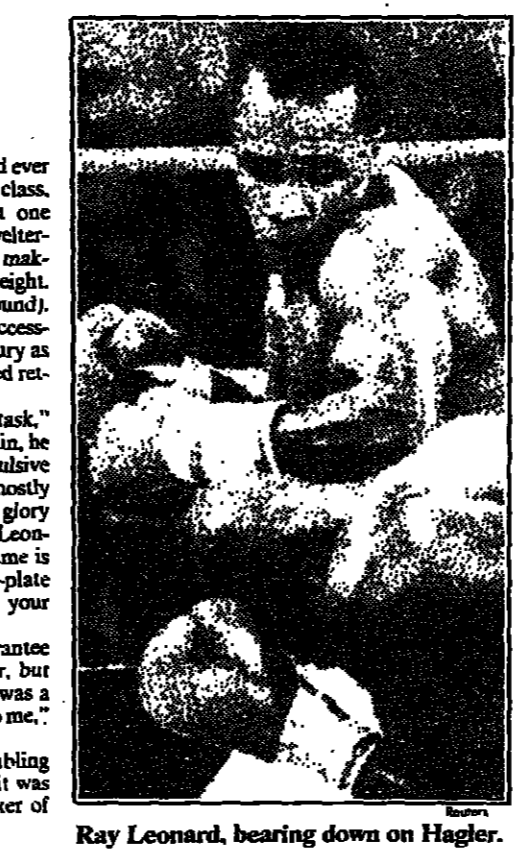
By Daniel Southerland Washington Post Service BEIJING — China once seemed to illustrate how far a Communist country could go in transforming its economy and politics...

Kiosk

Shultz to Attend Seder in Moscow WASHINGTON (NYT) — George P. Shultz, the U.S. secretary of state, plans to dramatize the issue of Jewish emigration by attending a Passover seder with prominent Jewish dissidents...

Leonard Prances Into History

Long-Idle Boxer Accomplishes 'Impossible Task' By Sally Jenkins Washington Post Service LAS VEGAS — Never, ever, was this supposed to happen. Sugar Ray Leonard danced, bounced and chattered his way to a history-making middleweight championship Monday night...



Ray Leonard, bearing down on Hagler.

Seoul Opposition Chiefs To Form a New Party

By Clyde Haberman New York Times Service TOKYO — South Korea's main opposition party reached the point of collapse Tuesday night as its two dominant figures planned to break away and form a new political party of their own...

The Bully: New Tactics for Treating Old Problem

By Daniel Goleman New York Times Service NEW YORK — With the growing understanding of what makes a bully, and the realization that bullying may blight a child's entire life, psychologists are trying new tactics to help youthful tyrants change their ways before it is too late...

Fine stockings, like this one from Queen Victoria's wardrobe, are more in demand than ever. Page 10. GENERAL NEWS Australia has begun to upgrade its military. Page 7. Spanish ambulance drivers joined striking subway workers in protesting anti-inflation measures. Page 2. BUSINESS/FINANCE A former Volkswagen official was arrested in the foreign-currency trading scandal at Volkswagen. Page 11.

To Our Readers

Rome: 9th IHT Print Site The International Herald Tribune will begin printing in Rome next month to improve distribution throughout Italy and to other points in the eastern Mediterranean region...

WORLD BRIEFS

Ambulance Drivers Join Spanish Strikers in Wage Dispute

Compiled by Our Staff From Dispatches MADRID — Hundreds of ambulances, their sirens screaming, drove through central Madrid in protest on Tuesday, compounding traffic problems caused by a strike of subway workers. The protests by ambulance drivers and subway workers were the most recent in a series of labor disputes as workers pressed for wage increases above the 5 percent set by the Socialist government to help bring down inflation. Hundreds of medical students unhappy over job prospects invaded the Barcelona stock exchange and disrupted trading while 8,000 doctors in rural areas began a two-day strike over working conditions. Doctors and other health employees in state hospitals were due to start another strike across the country on Wednesday to demand better pay and higher government spending on health care. Other disputes affected metal and construction workers and General Motors and FASA-Renault, the auto manufacturers. Inflation reached 8.3 percent last year, the first year in which Spain was a European Community member. The government of Prime Minister Felipe Gonzalez has set a target ceiling of 5 percent this year. The Communist-led Workers' Commissions hopes to mobilize one million workers this week. The union plans a strike on Friday by

airline and railroad employees, and mass rallies in Spanish cities. But the union received a setback in its bid for a general strike against government economic policy on Tuesday when the Socialist trade union, the General Union of Workers, turned down an invitation to celebrate Labor Day together on May 1. The Socialist trade union leaders have sharply criticized the government and have joined forces with the Workers' Commissions in specific disputes, but they have said they do not want to enter a general alliance with the group.

For the last three months, there have been numerous strikes by workers and government employees opposed to the 5-percent wage ceiling. The government has repeatedly urged workers for their support to help it meet its 1987 inflation target and to improve Spain's ability to compete with other EC nations. (Reuters, AP)

last week that typified the political atmosphere in Madrid this year. The strike was tentative, lasting eight hours on Thursday, and affected about half the system. Such strikes and protests by workers and students recently have presented a nuisance to the public but no threat to the government of Mr. Gonzalez. Mr. Gonzalez, with a Socialist majority in parliament, beat back a no-confidence motion sponsored by the rightist opposition last week. But that does not mean there is much confidence in his govern-

ment. Dissatisfaction appears to be widespread. "The political and economic policy of the Gonzalez government is static, not dynamic," said José Javier Celdrán Matute, a Madrid lawyer who describes himself as a liberal and who has been a supporter of Mr. Gonzalez. "The poor are not eating and the rich, the new rich, are getting richer. There doesn't seem to be a social-economic plan for the future." The unemployment rate among young adults is above 40 percent and the overall rate is around 20 percent.

After coming to office in 1982 committed to a Socialist program, Mr. Gonzalez turned to austerity measures to hold down spending, revive the economy, check inflation and make Spain more competitive with other European countries. Socialist Party supporters and members to the left of Mr. Gonzalez are not as concerned about inflation as he is. Many say he is too moderate. They want more and faster government action to end the unrest and to uphold Socialist principles.

Mubarak Party Winning 75% of Vote

CAIRO (UPI) — President Hosni Mubarak's ruling party captured more than 75 percent of the vote in Egyptian parliamentary elections and an Islamic alliance emerged as the new main opposition force, according to partial results released Tuesday. The government said partial nationwide results showed the National Democratic Party leading with 75 percent to 80 percent of the vote. The party won 72.9 percent in the 1984 elections. The alliance between the Muslim Brotherhood, the Labor Party, and the Liberals was second, followed by the right-of-center New Wafd Party. The Wafd captured 15.1 percent of the national vote in the 1984. Final results were not expected before Thursday. The elections were called more than two years ahead of schedule to end challenges to the legality of the parliament, which is expected to nominate Mr. Mubarak for re-election in October. It needs a two-thirds majority to do so.

Price of AIDS Drug Rises by 20%

SAN FRANCISCO (AP) — The cost of AZT, the only approved drug capable of prolonging the lives of AIDS patients, has increased by 20 percent in the three weeks since it received the approval for sale from the Food and Drug Administration. The price may rise even more. The increase means that patients taking AZT, which is sold under the brand name Retrovir, will pay at least \$38 more a week and about \$2,000 more a year for the drug. The manufacturer, Burroughs Wellcome Co. of North Carolina, initially set the price of 100 capsules, a week's supply, at \$188. But the National Association of Wholesale Druggists said wholesalers who handled billing for the company would add a 20 percent markup. Analysts of Blue Shield of California, a private health care insurance company, said retail pharmacies might add another 20 percent.

New U.K. Polls Point to Tory Gains

LONDON (Reuters) — Prospects for an early election in Britain rose Tuesday after two more polls gave the Conservatives a commanding lead. A Harris poll for the breakfast-time program TV-AM gave the Tories 43 percent of the vote, representing a majority of 132 seats in Parliament, their biggest lead since the party's landslide victory in the 1983 elections. In The Times of London, a MORI poll gave the Tories a 92 seat majority. It was the sixth poll to show the governing party with a big lead over the opposition Labor Party and the centrist Alliance.

Japan Party Vows Action on Economy

TOKYO (WP) — The governing Liberal Democratic Party formally pledged Tuesday to speed the growth of the Japanese economy and to pass a "drastic and large-scale" supplementary budget later this year to increase government spending. The plan will be presented in Washington later this week by Finance Minister Kiichi Miyazawa at a meeting of finance officials from the United States and other industrialized countries. It is the party's response to increased pressure from foreign governments over huge Japanese trade surpluses and from domestic industries that have been hit hard by the rise in the value of the yen. The Japanese economy grew by only 2.5 percent last year.



Kiichi Miyazawa

Meese Aided Pentagon Contractor

WASHINGTON (WP) — Attorney General Edwin Meese 3d has indicated that in 1982 he gave the orders that led to the White House's intervention on behalf of the Wedtech Corp., a military contractor in New York City that was seeking a military contract to be awarded without bids. Mr. Meese, who was counselor to the president at the time, said at a news conference on Monday that he only wanted to make sure that the South Bronx company, which had met stiff resistance at the Pentagon, got "a fair hearing." He said he took the action in response to memos from a longtime friend, E. Bob Wallace, whom Wedtech had hired as a lawyer in 1982. The manner in which Wedtech obtained the \$32 million contract, then the biggest it had ever won, has come under investigation by an independent counsel because of lobbying on the company's behalf by Lylo Nofziger, a former White House aide.

Peres, Russians Meeting on Peace Talks

ROME (UPI) — Shimon Peres, Israel's foreign minister, sat down with Palestinian and Soviet observers on Tuesday at a Socialist International meeting called to discuss a possible Middle East peace conference, organizers said. Mr. Peres joined the organization's Middle East Study Group after arriving from Madrid, where he had discussed the prospects for a Middle East peace conference with King Juan Carlos I of Spain. The foreign minister attended the meeting as head of Israel's Labor Party, not in his official capacity in the national government. Organizers had invited two members of the Soviet Communist Party Central Committee to the study group meeting.

East German Official's Son Emigrates

BONN (Reuters) — The son of one of East Germany's deputy defense ministers has been allowed to emigrate to West Germany with his family, according to an account that was to be published in the newspaper Die Welt on Wednesday. In a report distributed ahead of the publication deadline, the newspaper said that Manfred Graetz's son, Hartmut Graetz, was the first family member of the East German military leadership to be allowed to leave the country. The newspaper account said that Mr. Graetz arrived in West Germany with his family earlier this week and that his whereabouts were being kept secret.

For the Record

Two Soviet dissidents on a hunger strike were allowed to hold a protest outside the Supreme Soviet for half an hour on Tuesday in support of their demand to be allowed to emigrate to Israel. Vladimir Slipak and his wife, Rosa, and six friends were later moved on by security men. (AFP) The Polish police have detained at least 13 opposition activists in Odense and Wrocław since Sunday, opposition sources said Tuesday. They included Jacek Merkel, a senior adviser to Lech Walesa, the leader of the banned Solidarity trade union. (AP) France will finance the building of new prisons to relieve overcrowding, and state officials will staff them, Justice Minister Alain Chalon announced Tuesday. The government had planned to permit private enterprises to build and man some prisons. (AFP) The New Jersey Supreme Court agreed Tuesday to hear an appeal by Mary Beth Whitehead of the March 31 ruling that deprived her of all parental rights to Baby M, the child she bore under a \$10,000 surrogacy-mother contract. (AP)

TRAVEL UPDATE

United Airlines will begin nonstop service between Chicago and Seoul, South Korea, with continuing service to Taipei. This is United's first nonstop service to the Pacific Rim from O'Hare International Airport, according to the airline. (Reuters)

Syrians Enter Chatila in Move to End 'Camps War'

BEIRUT — Syrian troops deployed as a buffer force around a battered Palestinian refugee camp Tuesday in an attempt to end Lebanon's "camps war" in which nearly 900 people have been killed. Witnesses said refugees cheered as 50 troops marched through the cluttered piles of debris and garbage in muddy alleys to take up positions in and around the Chatila settlement in Beirut. The troops went in following mounting international pressure and repeated calls from Arab leaders for an end to the sufferings of

about 16,000 refugees in Chatila and the nearby Burj al-Brajneh camp. Syria had backed the Shiite Moslem Amal militia in its two-year drive to prevent a resurgence of Palestinian guerrilla power in Lebanon. Amal had blockaded the Beirut camps since October. Militia sources said the Syrian Army, which moved into West Beirut in February, was determined to enforce the cease-fire agreement reached on Sunday between Amal and Palestinian fighters in the two camps. Beirut radios said the accord provided for the Syrians to occupy at least one position at Burj al-Brajneh to allow refugees to come and go without fear of Amal snipers. Palestinian sources said rescue workers would evacuate wounded people from both camps on Wednesday. Palestine Liberation Organiza-

U.S. Army Is Setting Up Hot Line to Catch Spies

WASHINGTON — The U.S. Army is setting up a program with a toll-free telephone number that is intended to help catch spies, discover possible security risks and train soldiers to identify both, army officials said. An official in charge of the program said Monday that legal and procedural safeguards had been devised in an effort to prevent abuse. Agents trained to recognize genuine signs of espionage take the calls and prepare reports that are reviewed by two superiors before an investigation is started, he said.

Bolivian Defense Chief Quits

LA PAZ — Bolivia's minister of defense, Luis Fernando Valle, has resigned after he was accused of appearing in Congress drunk last week, the Information Ministry said Sunday.

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In Surprise for Canada, Reagan Vows to Consider An Accord on Acid Rain

By Lou Cannon and Herbert H. Denton
Washington Post Service

OTTAWA — President Ronald Reagan has ended a summit meeting with Prime Minister Brian Mulroney of Canada with an unexpected promise to consider a new U.S.-Canadian accord on acid rain controls and an endorsement of a free-trade agreement between the two nations.

While Mr. Reagan and Mr. Mulroney are basically in accord on free trade, the United States has resisted Canada's call for a treaty pledging the two countries to eliminate by 1994 half of the pollution that causes acid rain.

Mr. Reagan unexpectedly added language at the end of his prepared speech to the Canadian Parliament on Monday that said "the prime minister and I have agreed to consider a bilateral accord on acid rain, building on the tradition of agreements to control pollutants of our shared international waters."

Such an agreement on acid rain, patterned after the accord by which the two nations monitor water quality in the Great Lakes, would fall short of a treaty. But it goes further than Mr. Reagan had gone before on the acid rain issue.

Until Monday, U.S. officials had said that the Reagan administration was not prepared to go beyond a proposal announced last month that would commit \$2.5 billion over five years to "innovative" demonstration projects aimed at finding less expensive technologies to control acid rain. The proposal was recommended in a report submitted last year by U.S. and Canadian scientists.

In his speech to Parliament, Mr. Reagan called that action "an important start."

The White House spokesman, Martin Fitzwater, called Mr. Reagan's pledge for an accord "a first step" but said the U.S. administration had reached no decision on whether the "mechanism" of internationally controlling acid rain would require a treaty.

A senior Canadian official said that "we don't care whether it's an agreement, an accord or a treaty." But "we want a commitment" for U.S. action, he added.

Mr. Reagan said that the trade agreement, now the subject of intense U.S.-Canadian negotiations, would serve as a model of international cooperation "to all nations that now wrestle against the siren temptation of protectionism."

The trade agreement was proposed two years ago by Mr. Mulroney at a meeting with Mr. Reagan in Quebec. The two leaders last met in Washington a year ago.

Canadian polls consistently have shown 2-1 approval for such an agreement, as well as skepticism about Mr. Mulroney's ability to negotiate such a pact on terms beneficial to Canada.

Canada and the United States are each other's largest trade partners. Last year, Canada's merchandise trade surplus with the United States was \$806.4 million.

Mr. Reagan's new position on acid rain followed an appeal by Mr. Mulroney in his introduction of the president to conclude "a firm bilateral accord" that would provide a "North American solution" to acid rain.

Emissions from coal-burning power plants and factories turn into sulfuric oxides and vehicle exhausts produce nitric oxides that fall to Earth as acid rain or snow. After drifting north, it destroys freshwater life and damages forests and crops in Canada.

In his 25 hours in Canada, Mr. Reagan met twice with Mr. Mulroney and once with the Canadian opposition leader, John N. Turner. The president said that he and Mr. Mulroney had agreed to inject "new impetus" into negotiations on the status of Arctic waters that Canada considers sovereign and the United States views as international.

A furor was touched off in Canada two years ago when a U.S. Coast Guard icebreaker, the Polar Sea, traveled through the Northwest Passage without asking Canadian permission.

Mr. Mulroney has asserted that the waters in question are Canadian. "Jock, stock and icebergs," U.S. officials are concerned that yielding to the Canadian view would establish a bad precedent that could give support to such claims as Colonel Moazzam Gadhafi's assertion of sovereignty in the Gulf of Sidra.

In his speech, Mr. Mulroney pledged Canadian support of the NATO alliance and Mr. Reagan was applauded when he praised Canada for taking "a leading role in the defense of the free world."

But most members sat silently while Mr. Reagan expounded on the merits of the Strategic Defense Initiative, his space-based missile defense plan.

Mr. Reagan was heckled by members of the leftist New Democratic Party when he defended SDI and his aid to the Nicaraguan rebels, known as contras.

But members of Mr. Mulroney's Progressive Conservative Party rose and cheered Mr. Reagan.



President Ronald Reagan and Prime Minister Brian Mulroney in Ottawa on Monday.

AMERICAN TOPICS

Here's How to Tell If You're Making It

People who are successful in business today are making double or even triple their ages in thousands of dollars, according to the Research Institute of America, a tax and business research firm.

As quoted by Debra Whitfield in The Washington Post, the institute says you should be making at least \$100,000 a year by the time you are 40. And even that hardly compares with the investment bankers and takeover lawyers who may be making \$500,000 a year before they turn 30.

The institute's rule of thumb applies to business executives only. Doctors, dentists, movie stars and big-league baseball players are on separate tracks, as, indeed, are schoolteachers, members of the clergy and journalists.

Short Takes

A test on Iowa affairs awaits presidential candidates touring the state, which will hold neighborhood caucuses in February 1988, eight days before the first presidential primary in New Hampshire. Governor Terry T. Branstad said he planned to give aspirants an "Iowa test" of comprehensive questions about rural issues and publicize their answers. "Candidates just hate it," conceded Mr. Branstad, 40, a

Republican, but it provides a chance to "focus national attention on these issues."

This year's maple syrup season is proving even worse than last year's because of warm weather. In early spring, sap will flow from a cut in the tree only if the temperature falls below freezing at night, and rises above freezing during the day. The alternations act as a sort of pump. But this spring, like last, mild temperatures have persisted around the clock. Unless the nights turn cold before the end of this week, output may be worse than last year, when it dropped 17 percent to 262,000 gallons (988,000 liters) in New York state and 36 percent to 338,000 gallons in Vermont. Prices have risen, from \$22 a gallon before last year's bad season to \$29 a gallon so far this season.

Alaskan banks, schools and public offices shut March 30 for Seward's Day, commemorating the signing of the treaty on March 30, 1867, that transferred Alaska from Russia to the United States. Doubtless called the \$7.2-million purchase Seward's Folly, after Secretary of State William H. Seward, who promoted it. This year the remote Alaskan Panhandle town of Skagway had its own folly, observing the holiday a week early because of an erroneous calendar circulated by the White Pass & Yukon Railroad. No visible harm was done.

Shorter Takes: Nabisco says it has sold 35 billion boxes of its Barnum's Animals crackers since they were introduced 85 years ago. • A federal judge in Fresno, California, dismissed a lawsuit alleging that raisin promoters had stolen an idea for dancing raisins in advertising. The judge said the old notion of drawing arms and legs on inanimate objects cannot be copyrighted.

Chirac Remembers A Harvard Romance

Prime Minister Jacques Chirac of France, on his visit to Washington last week, got everyone's undivided attention at a State Department lunch by telling about the summer he was a soda jerk working his way through a summer course at Harvard and fell in love with "a very, very, very beautiful girl from South Carolina."

"I couldn't resist because she called me 'honey chile,'" added Mr. Chirac, 54, while 200 guests sat enraptured and his wife, Bernadette, smiled pleasantly.

The prime minister said he shouldn't be talking about it "in front of my wife, but I was at the time a bachelor." He said that had he married the young lady from the South, he might have become an American citizen, but has no regrets. "because in your country you cannot run for the presidency if you are not born in your country." Mr. Chirac is a leading candidate for next year's French presidential election.

—ARTHUR HIGBEE

U.S. Says Soviet Still Spreads AIDS Lie

The Associated Press
WASHINGTON — The U.S. government says the Soviet Union is continuing its worldwide campaign to spread the idea that AIDS was created in a biological warfare experiment at Fort Detrick, Maryland.

The Defense Department says the Soviet Union has succeeded in keeping the allegations alive because Fort Detrick was, until 1969, the U.S. Army's biological warfare development center.

Fort Detrick is now the site for some research on AIDS, acquired immune deficiency syndrome, which is caused by a virus that attacks the body's immunity system against fatal infections and cancers.

"The facts have been distorted to support the false charge," the Pentagon said in a recent background report.

The State Department also has protested the Soviet accounts. The Soviet contention was first published in the October 1985 edition of the Soviet weekly Literaturnaya Gazeta. It was immediately denied by the State Department and dismissed as propaganda.

In the last 17 months, however, the Soviet Union has mounted what the Pentagon calls "a continuing disinformation campaign."

The Pentagon said the Kremlin had added to the story while citing alleged scientific experts to lend weight to the allegations.

By the Defense Department's count, the story has been reported since Oct. 30, 1985, by the news media of more than 60 countries, including the United States, in more than 30 different languages.

The most recent repetition was made on March 30 in a story distributed by the Soviet news agency Tass.

"Quite simply, these charges are patently untrue," said Fred Hoffman, a spokesman for the Pentagon. "Yet the story keeps going."

"It's obviously a systematic campaign," he said. "The technique used has been to plant the story in

friendly newspapers outside the Soviet Union, and then to quote those newspapers as authoritative in the Soviet news organs. What's really troublesome is that this stuff tends to be believed in Third World countries."

In the summer, the continuing appearance of such reports led Arthur A. Hartman, then the U.S. ambassador to Moscow, to send letters to the editors of two Soviet publications.

He criticized their articles as "nothing more than a blatant and repugnant attempt to sow hatred and fear of Americans among the Soviet population and to abuse a medical tragedy affecting people all over the world."

Mr. Hartman noted that a prominent Soviet immunologist, Viktor M. Zhdanov, had written of evidence indicating that "the disease originated in Central Africa, that it may be related to a similar virus found in monkeys and that it may have existed for several hundred or even several thousand years or may have evolved from another virus."



La Gastronomie

The Oak Room restaurant is an elegant temple to French haute cuisine. The famous 3 star chef, Michel Lorain, from Burgundy and our chef, David Chambers, have created a menu to intrigue and delight. Upstairs our new conservatory restaurant The Terrace Garden makes a splendid meeting place where you can enjoy a drink, a snack or a gourmet meal.

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Engineers in the automobile industry are developing sensational ideas for replacing mechanical constructions with modern electronics. But some ideas are too advanced for practical application. For example the petrol cable.

The idea is to install a tiny transmitter under the accelerator, which would send impulses to a precision receiver near the carburettor or the fuel injector. This receiver would control the fuel flow which the driver regulates via the accelerator pedal. But fine electronic components like these are extremely vulnerable.

A case was needed to protect the components from salt, moisture, oil and chemicals. One strong enough to hold up under extreme conditions. Including fluctuations from the lowest to the highest temperatures. And the impact of severe shocks.

The solution was found in the laboratories of DSM, one of Europe's leading chemical concerns. That's where some 1500 research employees daily develop new synthetics that keep the automobile industry moving.

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If we don't have a solution, we find one.

A case for stepping on it.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

An Epidemic of Traitors

The American Embassy in Moscow contains a chamber specially secured against Soviet eavesdropping. But even this bug-proof bubble may not be secure enough for use by Secretary of State George Shultz during his forthcoming visit to Moscow.

Childbirth Often Kills

For women in the developing world the most worrying question about pregnancy is not "Will it change my life?" but "Will it end my life?" Reducing this maternal mortality rate — a goal recently, and commendably, set by the World Bank — depends heavily on birth control and health care services.

Kemp: A Damp Match?

"There is nothing wrong with America that cannot be fixed." So said Jack Kemp in announcing his candidacy for president on Monday. He adds — echoing Ronald Reagan's impatience with those who ask Americans to lower their sights and trim expectations — that "there are no limits to our future if we don't put limits on our people."

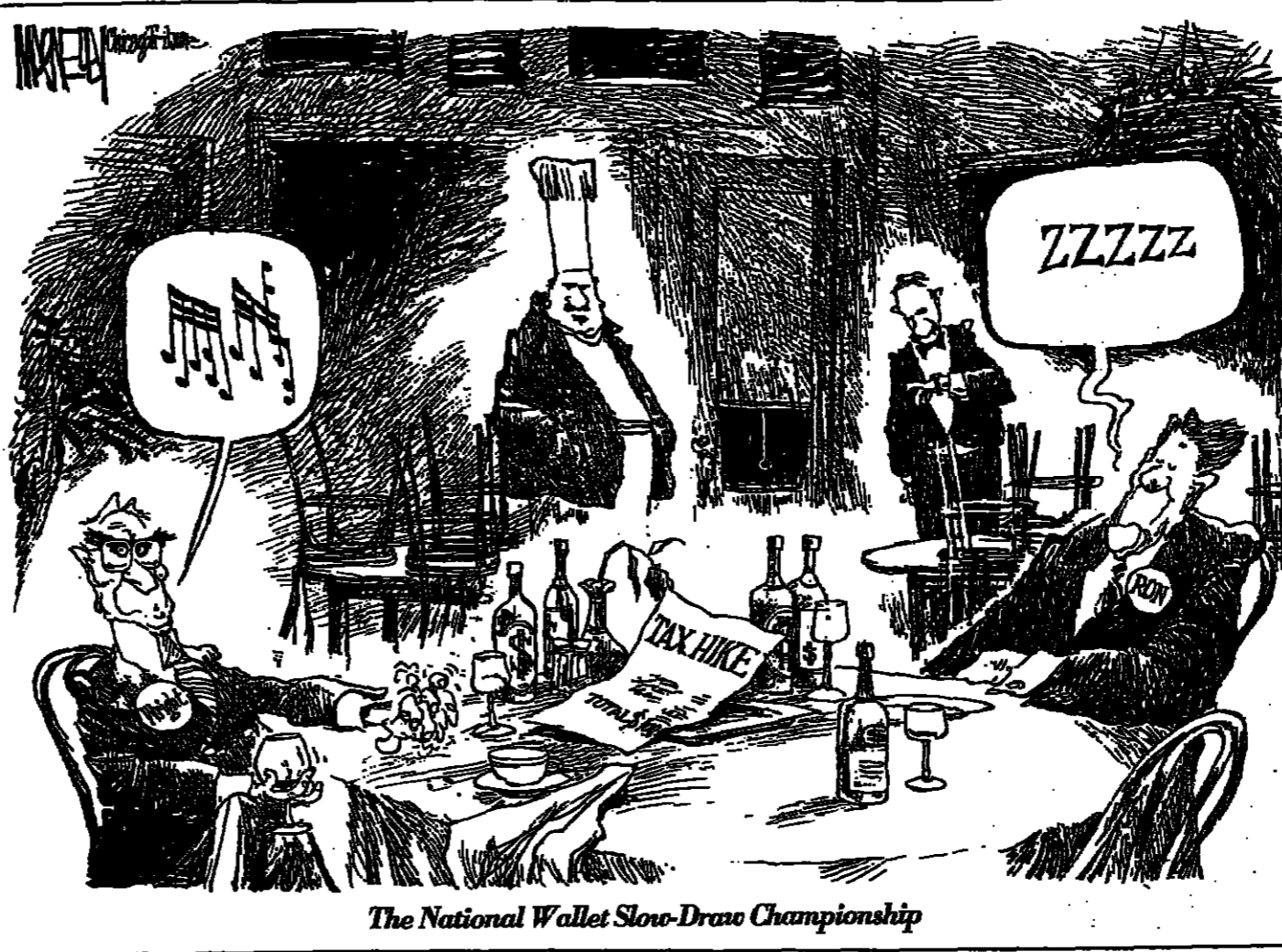
Other Comment

For a Middle Road on Trade

There certainly are problems of fairness in international trade, but protectionism and bilateral agreements to restrict exports are not the answer. Because these arrangements delay needed economic restructuring, their ultimate victims are the very countries they were supposed to protect.

No Blessing From the Pope

Those who feared that by spending six days in Chile the pope might be drawn into conferring a certificate of respectability upon the odious General Pinochet have not been vindicated. They shook hands; they even prayed together. But the pope repeatedly condemned the use of force, specifically state violence, especially torture.



The National Wallet Slow-Draw Championship

Japan and the West: Causes and Goals Are Mutual

PARIS — There was a time when Western views were generally considered right by the Japanese and Western suggestions were found convincing. But a rapidly changing and more sophisticated Japan, and a more complex and interdependent world, no longer allow stereotypical arguments to remain credible.

By Shoichi Kojima

capital from Japan to finance its appetite for Japanese products. The reality is that America and Japan nowadays rely on each other's complementary characteristics: Japanese are sen-yu, ko-raku (worry first, enjoy later), while Americans are sen-raku, ko-yu (enjoy first, worry later).

currently enjoying expanding profit margins, as they did in the late 1970s. If these three checkpoints are kept in mind, a more constructive dialogue, aimed at economic rationality, should be possible. Japan's "sen-yu, ko-raku" and America's "sen-raku, ko-yu" are rational only if Japanese actually start enjoying higher living standards and Americans actually begin to worry about their debts.

American Pressure on Seoul Could Prove Disastrous

SEOUL — South Korean dissidents have recently stepped up their lobbying campaign in the United States, urging American congressmen to exert political pressure on President Chun Doo Hwan to accept a particular brand of democracy. Yet while some of these legislators may have nothing but good intentions, too much meddling on their part could jeopardize the progress that has already been made.

By Hong Choo Hyun

the details of restructuring the constitution. But the political parties of South Korea should be left to themselves in making the final choice. Some Americans have suggested recently that the United States may have a role to play at this juncture in South Korea's political development. Perhaps a nudge here, a gentle shove there, they suggest. Some of this echoes the U.S. role in the Philippines early last year.

anti-Americanism or even violence that would hopelessly disrupt the political progress. Third, because of the perceived role of the United States in the Philippines, any sign of direct U.S. interference would create the impression that the United States is siding with the opposition to overthrow the government.

In Chile, a Doctor's Duty Can Make Him a Criminal

MEDFORD, Massachusetts — As Pope John Paul II arrived in Santiago last week, a young doctor awaited trial in a prison cell downtown, accused of terrorism. His supposed crime is treating a man with a bullet injury. His real "crime" is that he is medical director of Vicaria, the human rights arm of the Roman Catholic Church in the Chilean capital.

By Jane Green Schaller

The massive doors to the court chamber opened; the hearings began. Two defendants were absent: Dr. Ramirez Olivares, a young doctor who is medical director for Vicaria (he had been imprisoned for six months); and Dr. Juan Macaya, a veteran in pediatrics and public health, who had been in jail for eight months. The third doctor, Ramon Rojas, was free on bail and sat in front of me.

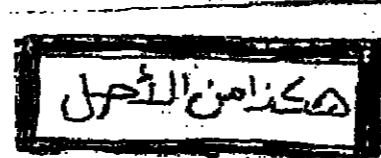
Medical Association are compelled by their ethics to work for human rights. It is clear that the Pinochet regime is intent on silencing these brave organizations. People everywhere, and especially doctors, lawyers and clergy, should cry out against this flagrant repression of honorable professionals, and against the cruel and inhuman treatment of political prisoners in Chile.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Catholics Attacked LISBON — A serious conflict, arising out of a religious procession during Holy Week, has taken place at Chamusca. Trouble arose over this particular procession last year, and at the last moment the authorities refused permission for it to be held this year.

1937: Defending Britain LONDON — Germany is getting more than \$1,000,000 worth of arms equipment orders from Great Britain. The House of Commons learned with surprise on April 7, in reply to Geoffrey Mander, Liberal, who asked what amount of orders had been placed in Germany for machinery this year. Sir Thomas Inskip, Minister for Defense organization, disclosed that since Jan. 1 the Defense Department had ordered from German firms machinery worth \$62,000 (then \$292,640). In addition, he said orders amounting to \$168,000 are being placed in Germany for equipment for Britain's shadow factories, which are being developed to separate government arms factories and ammunition dumps for emergencies.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1978-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen



هكذا من الأجر

OPINION

These Days, Turning Up The Radio Is Not Enough

By William Safire

WASHINGTON — Every American visitor staying at a Moscow hotel comes back with the same story. You discover the bathroom has no soap. You say loudly and angrily to nobody in particular, "What kind of backward country is this, no soap in the bathroom!" And a few moments later, as if by magic, the chambermaid taps at the door bearing a bar of soap.

The bugging of rooms, like the knowledge of English by drivers who profess to

home, unless he can bring a trailer along with an unpenetrated scumbler.

Even as this rape of America's national privacy takes place, we are told that the new U.S. Embassy building is already compromised with eavesdropping devices. Senator Patrick Leahy, who with Senator Patrick Moynihan led the long fight to enhance embassy security, suggests tearing the whole thing down and starting from scratch.

Why does the U.S. government not complain, as it did when the Soviets bombarded the Moscow embassy with radiation and dusted doorknobs with carcinogens? The answer is simple: U.S. agencies try to eavesdrop on their communications everywhere. That takes some of the sting out of American moral indignation.

The Soviets are more careful. Soviet construction men built their new embassy in Washington; their nationals do all the menial chores. What can we Americans do to make certain the Soviets are not stealing more from us than we are from them? Retaliation is an obvious answer: no opening of the embassy in Washington until a secure U.S. embassy in Moscow is assured.

The less obvious answer has to do with a new strategy of communications security. For a generation, U.S. policy has been to stamp as top secret anything to do with eavesdropping countermeasures. The result has been a good offense and a lousy defense.

When I wrote that the Soviets were using the embassy on Washington's Mount Alto to direct listening-lasers at the White House windows, and that the White House was attaching vibrators to the windows to counter this snooping, a caller suggested that I had breached security. That is nonsense; the Russians can hear American windows rattling, just as they could hear the Scall teacup and the Klein stamping foot.

It is time that U.S. technical publications begin speculating about reasons for weakness in the latest anti-bugging technology. Fear of America's anti-espionage laws has not led to security but to suppression of the truth about its weakness.

Americans have a nonexistent defense because they have concentrated on offense. And they have an administration that, in a related field, has adopted a policy of a space shield, which has revolutionized the mad reliance on offense.

Where is the Personal Defense Initiative? Why has the field of resistance to snooping been neglected? Why can't an electronic shield be placed around U.S. embassies? Why can't that technology be used to let Americans of the future protect themselves from unwanted intrusion from any quarter?

The New York Times



'Everything secure for the evening, Sergeant?'
Oh, I see — well, good night, Sergeant... Miss.'

LETTERS TO THE EDITOR

A Case of Mistaken Identity

J.E. Marsh's identification of Rafael Eitan, the alleged spy-master in the Pollard case, as "the former Israeli Army chief of staff" (Letters, March 31) allowed Mr. Marsh to express certain opinions on the Pollard case. There is, however, a case of mistaken identity here. The alleged spy-master is not the retired general.

BARUCH HURWICH,
Jerusalem.

Eitan is a common Hebrew surname, and Rafael is a common given name. Israelis distinguish between the two Eitans by calling the former chief of staff Rafal and the alleged Pollard contact Rafi. The two men are unrelated.

Rafal Eitan was not found "indirectly responsible" for the massacre at the Sabra and Chatila refugee camps in 1982. Rather, he was reprimanded for the intelligence failure to foresee the murderous intentions of the perpetrators.

J.E. Marsh confuses different men, and the conclusions he draws from this misidentification are accordingly silly.

DORON ARAZI,
Freiburg im Breisgau, West Germany.

UNESCO and the Press

While sharing Jonathan Power's concern over limitations on freedom of the press ("Around the World, a Much-Maligned Press Needs a Champion," April 1), I must emphasize that the main thrust of his column reflects two serious oversimplifications. The notion that Third World countries

have a monopoly on violations of press freedom ignores the reality of threats to press freedom all over the world and across the ideological spectrum.

Second is the inference that the UNESCO debate on the New Information Order is mainly responsible for the threat against freedom of information.

This ignores both the established consensus in UNESCO on communication issues and the fact that the Western nations are strongly advocating at the United Nations that the General Assembly adhere to UNESCO's definition of the New Information Order.

This debate is too important to be treated lightly. It is an attempt to bridge the dangerous communication gap between North and South and thus combat prevailing misunderstandings. It is wishful thinking to believe that the main terms of this debate will vanish overnight with a change of leadership at UNESCO.

Mr. Power rightly quotes Leonard Sussman, executive director of Freedom House, on the threat to freedom of the press. But he neglects to quote Mr. Sussman's speech at the United Nations of April 12, 1985, when he stated that "UNESCO has never approved the licensing of journalists nor supported censorship in any form, and indeed has explicitly opposed it."

In its Constitutional Act and in its activities (studies on censorship, self-censorship, and the watchdog role of the press have been undertaken in 20 countries since 1984), UNESCO is committed to press freedom.

DOUDOU DIENE,
UNESCO Spokesman,
Paris.

The Singapore government has not "intimidated and indirectly censored the foreign press," as Mr. Power states. It is the foreign press which has directly censored the Singapore government. Both Time magazine and The Asian Wall Street Journal refused to publish official letters correcting errors of fact in articles on Singapore. (Time magazine has since printed Singapore's letter of correction.)

DAVID MARSHALL,
Ambassador of Singapore,
Paris.

He's Got It Down Cold

In "Greenpeace Presses for an Antarctic Park" (Jan. 26), you reported that "the four Greenpeace scientists plan to spend the seven-month-long sunless winter studying fish populations, krill and body heat loss."

I feel they may be better employed brushing up on their basic arithmetic. Cape Evans stands at 77 degrees 38 minutes south latitude, 166 degrees 24 minutes east longitude. At this latitude, by my calculations, the sun should set for winter on April 23 and reappear at the end of the sunless winter on Aug. 21. By no stretch of the imagination can this be regarded as seven months. In fact, it is physically impossible to have a seven-month sunless winter. Even at the South Pole it is only six months of dark and six months of continuous sun.

J.M. ROSCOE,
British Antarctic Survey's
Commander at Base Halley,
75 degrees 35 minutes south latitude,
26 degrees 46 minutes west longitude.
(Sunset May 1, sunrise Aug. 12.)

Moscow's Old City Is Finding A Valuable Ally in 'Glasnost'

By Kathleen Berton-Murrell

MOSCOW — The quiet back streets of old Moscow, although not as strikingly beautiful as in the days of Napoleon, still offer many delightful old corners and unexpectedly lovely views. Old Moscow's medieval architects were, after all, geniuses. Now, after a half-century of neglect and destruction, the

other purposes; in Red Square, the great Kazan Cathedral was pulled down. After Stalin's death in 1953, a new restoration program began. But in the late 1950s, Khrushchev began a huge housing program, and many once-protected buildings were torn down.

With Khrushchev's departure, old Moscow got a new reprieve. The Society for the Protection of Monuments was founded; many buildings were saved. But excesses continued.

Then, in 1985, Mikhail Gorbachev came to power, bringing tremendous new energy. Within nine months, the Moscow first secretary, Viktor Grishin, and Mayor Vladimir Promyslov — the guiding spirits behind the city's housing program for 20 years — were replaced by Mr. Yeltsin and Valery Saikin, the former boss of the giant Zil auto factory.

Mr. Yeltsin, along with Yegor Ligachev, the Politburo member most concerned with the arts, spoke out in the 1986 party congress on the need to preserve the old center of Russian cities.

Official blessings of preservation have, unleashed pent-up bitterness over the loss of many buildings. News articles decry the loss of particular buildings, sometimes naming those considered responsible. Respected writers publicly lament the loss of parts of the old city. A pressure group has developed in favor of rebuilding particular monuments.

Dull, functional constructions like the recently completed October Square of the Garden Ring Road are alien to the old center of Moscow, and at last everyone is saying so. There have been proposals that all architectural competitions for buildings in central Moscow be held openly. The criticism is loud.

Mr. Yeltsin recently announced that the Church of the Ascension, where Pushkin was married, will (after 10 years of persuasion) be rid of the Energy Ministry and be turned into a concert hall. He also met with young Moscow architects, some of whom opposed a huge war memorial then under construction; in August, the Politburo decided to half work and open a new competition.

As Mr. Yeltsin told journalists, "The traditional Moscow coziness will be returned to the center of the capital."

An old lady who now lives in a modern suburban apartment told a television interviewer recently that she takes every opportunity to return to her beloved Sretenka neighborhood.

How, she was asked, could she be nostalgic for the crowded life of a communal apartment? She smiled sadly. What she missed was the charm of the old streets, the sense of links with the past.

The writer is author of "Moscow, an Architectural History." She contributed this comment to The Washington Post.

ESSAY

Speak not a word of it, is taken for granted by Americans in the Soviet Union.

At the 1972 summit meeting, when the "clean room" in the U.S. Embassy was occupied by Henry Kissinger and his aides, a group of Nixon assistants were forced to hold a strategy session on public relations in a Moscow hotel room. Ron Ziegler turned the radio up loud. John Scali rattled his teacup in his sancer. Herb Klein, speaking in a whisper, kept banging his foot against the coffee table. I was supposed to be taking notes at that meeting but could not hear a thing.

Coming back from a Moscow trip, Treasury Secretary George Shultz took his seal in the plane, sighed and remarked how good it was to be able to talk in a different kind of society, free of the fear of being overheard. (I remember thinking bitterly at that moment when the revelations came of the secret Nixon wiretapping and the White House taping system.)

Now Secretary of State Shultz will be going to Moscow next week more worried than ever about the security of communications. The U.S. Embassy was penetrated by Mata Hari's great-granddaughters, and tiny transmitters are suspected of infesting not only the chandeliers and saltshakers but also the typewriters and computers.

U.S. diplomats there who used to scoff at demands by hard-liners that Soviet citizens be denied embassy access are now reduced to writing messages in long-hand. Visitors are urged to bring a children's toy that enables you to write on a slate and make the message vanish by pulling up the plastic covering. Mr. Shultz will have to drive to the airport to use his plane for secure communications

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



OUT OF THE BLUE, PHILIPPINE AIRLINES COMES SHINING THROUGH.

At Philippine Airlines we're flying with a new look, a new purpose and a new commitment to maintaining Asia's first airline as Asia's finest airline.

But through all the changes, one thing remains the same. The natural warmth and charisma of the Philippines still shines on all our flights to 28

cities in 21 countries around the world. Some things you can change. And, happily, some things you cannot.

Capsized British Ferry Is Righted in Salvage Operation Off Belgium

By Peter Maass
International Herald Tribune
ZEEBRUGGE, Belgium — The Herald of Free Enterprise was rolled into an almost upright position Tuesday and divers renewed a search for bodies of passengers trapped when the ferry turned over on March 6.

The righting of the vessel was carried out in a salvage operation that took eight hours to complete. The job involved about 140 salvage workers, three barges equipped with reinforced cranes, two pontoons carrying hydraulic winches and a flotilla of support vessels.

The salvage operation is said to be costing about 10 million Dutch guilders (about \$5 million.)

There were unconfirmed reports that several bodies were recovered from the ferry as the righting operation was completed. They apparently were shaken loose from inside the vessel when it was being rolled over.

By late Tuesday night, however, there was no official report that any bodies had been brought out of the wreck.

The Herald of Free Enterprise, operated by the British company Townsend Thoresen, suddenly fell onto its port side in about 30 feet (about 9 meters) of water on March 6 as it left Zeebrugge on an evening run to Dover, England.

The accident may have been caused by a ballast problem that allowed water to flow through the vessel's bow doors, which apparently were left open.

At least 343 people were on board when the boat capsized almost a mile from the Belgian port and 409 of the passengers and crew members escaped. So far, 61 bodies have been recovered, and Townsend Thoresen says it believes 73 more people are trapped inside.

However, the British police say that as many as 600 people may have been on the ship. If this estimate is accurate, then about 140 bodies may still be on the ferry. That would push the death toll to nearly 200.

Amid good weather conditions, the ferry was slowly rolled onto its keel on Monday by a combination of lifting from the cranes and pulling from the winches. The vessel, which remains three-quarters submerged, was then lashed into place as divers and other salvage workers started their search.

The port side of the 7,951-ton ferry, which had been resting on the ocean bottom, showed the marks of a maritime disaster. The white upper decks were scraped and twisted in many places, while several of the vessel's port lifeboats were virtually crushed.

Netts have been placed around the boat to prevent bodies or other objects from floating away. Belgian naval vessels and private barges also are patrolling the area — partly to keep sightseers away, but also to catch any bodies that might slip through the netting.

The salvage operation, organized by the Dutch company Smit Tak, unfolded without any severe difficulties after weeks of preparations. The initial hour or two had been considered the most difficult — experts worried that the vessel's hull could be torn apart by the pressure of pulling and lifting.

That did not happen, and the only hitch occurred when a small oil slick spread out in the morning on Tuesday. The oil, which may have come from tanker trucks in the ferry's vehicle hold, was contained by special pontoons spread out between several support vessels.

The process of retrieving bodies and refloating the wreck could take as long as two or three weeks. Salvage officials say they expect a speedy removal of bodies from the ship's upper decks, but those trapped below may take longer to locate and extract.

During the two- or three-week period, the broken windows and open doors of the vessel — including the giant bow doors — are to be sealed shut. The seawater will then be pumped out, which will allow the ferry to float and be towed into port.



Kohl Welcomes Herzog to Bonn

West Germany's chancellor, Helmut Kohl, right, welcoming Israel's president, Chaim Herzog, in Bonn on Tuesday, the second day of Mr. Herzog's five-day stay in West Germany. Mr. Kohl told Mr. Herzog that the Nazi extermination of Jews never can be expunged from history and that Germany accepts responsibility for it. "The period of genocide is the darkest chapter in German history," Mr. Kohl said at a luncheon speech.

French Convict Writer, a Celebrity, Is Again Arrested

By Barry James
International Herald Tribune
PARIS — Roger Knobelspiess, a convict writer who became the darling of leftist liberals in France and was pardoned by President Francois Mitterrand, is again behind bars following an armed bank robbery near the southern town of Perpignan.

The police in Perpignan said they arrested Mr. Knobelspiess and another man after a wild car chase from Thuir, eight miles (12 kilometers) southwest of Perpignan, where the robbery took place Monday.

The police said shots were fired during the chase, in which a gunman was grazed by a bullet and a woman driver was injured in a collision with one of the getaway cars. They said they found a pistol, a rifle and false police papers in the possession of the arrested men.

Mr. Mitterrand pardoned Mr. Knobelspiess in November 1981, a week after a court sentenced the convict to five years in prison for armed robbery.

Mr. Knobelspiess walked free into the welcoming arms of the leftist intellectuals who championed his cause after he wrote two books about prison life.

He was the late actress Simone Signoret, once said, "a little bit of a hot item" for a while. In frequent interviews on television and radio, Mr. Knobelspiess continued to criticize France's prison conditions.

He was pictured side by side with the former prime minister, Pierre Mauroy, and praised by intellectuals such as Roger Garaudy, a Marxist Communist, Yves Montand, the actor, and Michel Foucault, the

philosopher, who wrote a preface to Mr. Knobelspiess's first book, "Q.H.S." The title in English stands for maximum security quarters.

The left maintained that Mr. Knobelspiess, who had a rough childhood and had spent much of his adult life in prison, was a victim of an unjust society and had been persecuted by the police.

The case in some ways recalled that of Jack Henry Abbott, an American convict turned writer who, with the help of Norman Mailer and other intellectuals, won freedom and a measure of fame with a book about prison life, "In the Belly of the Beast." But five years ago, Mr. Abbott was sentenced to 15 years to life in prison for stabbing to death a waiter in New York.

Mr. Knobelspiess went to prison for the first time at the age of 18,

when he was sentenced to three years for theft. A few days after his release, he was re-arrested, charged with armed robbery and sentenced to 15 years in a maximum security prison. Proclaiming his innocence, Mr. Knobelspiess went on hunger strikes, wrote letters to newspapers and even chopped off a little finger in protest. In maximum security quarters, he said, he was confined alone for 23 hours a day.

Given a seven-day leave in 1976, he failed to return on schedule. He was arrested again five months later and charged with nine holdups over the period.

It was on those charges that he was sentenced in 1981, then immediately pardoned by Mr. Mitterrand before he could spend another day in prison.

Two years after that Mr. Knobelspiess was arrested and charged



Roger Knobelspiess

with committing an armed robbery and impersonating a policeman. He was acquitted, but by then his celebrity was on the wane.

ARMS: Soviet Is Said to Alter Position on a Test Ban

(Continued from Page 1)
States has yet to decide what type of new limits to accept. Officials say they could pertain to the number of tests, the size of tests, or both.

The past Soviet position has been that negotiations for a total test ban should not be deferred, and the Russians have voiced concern that the United States might not follow through with additional testing limits after the two treaties are ratified.

The new Soviet position stated by Mr. Petrosyan is that two sides first concentrate on ratification of the two treaties and on the negotiation of measures that would set further limits on the number and size of nuclear tests. The negotiation of a total test ban would be left as an ultimate goal.

Officials from the State Department and the arms control agency favor exploring this approach, even though it would mean shifting from the position that talks on additional limits not begin until the monitoring of the 1970s treaties is resolved. Pentagon officials are said to oppose any change in position.

On the ABM treaty and defense systems, the United States has proposed that each side agree to keep its testing and development within the 1972 treaty limits for five years. At the Reagan-Gorbachev meeting in Iceland last fall, the United States proposed extending this commitment to 10 years if the two sides were to eliminate all ballistic missiles.

Now some hard-liners are suggesting that the United States pull back from the offer to adhere to all aspects of the ABM treaty for a specified period. Instead, they suggest that the United States propose

only that the two sides agree not to deploy ABM systems for a certain period.

Gromyko Assails U.S.

Tass said that in a meeting Monday with the newly appointed U.S. ambassador, Jack F. Matlock Jr., President Andrei A. Gromyko asserted that the Reagan administra-

tion "does not have serious intentions" in negotiating an arms control agreement. The Washington Post reported from Moscow.

"We have done everything possible for concrete relations between the Soviet Union and the United States," Tass quoted Mr. Gromyko as telling Mr. Matlock, who arrived last week.

Missile Talks Worry Bonn

BONN — Chancellor Helmut Kohl said in a letter Tuesday to President Ronald Reagan that Bonn was concerned that an agreement to ban medium-range missiles from Europe might leave Europe vulnerable to shorter-range missiles.

Friedhelm Ost, the government spokesman, said the letter was intended to clarify West Germany's views on the arms control talks before George P. Shultz, the U.S. secretary of state, visits Moscow next week.

Mr. Ost said that the removal of medium-range missiles — U.S. Pershing-2s and cruise missiles and Soviet SS-20s — remained the priority in Geneva.

But he added: "Parallel to this is concern over the heavy Soviet superiority" in shorter-range missiles.

Bonn wants an agreement that would also balance short-range tactical systems with ranges down to 90 miles (150 kilometers).

The timing of the letter appeared to reflect nervousness in the West German government over a stalemate in the Geneva arms talks between the United States and the Soviet Union.

The Geneva talks adjourned last month with U.S. and Soviet Union negotiators accusing each other of having changed their positions on equal ceilings on shorter-range missiles.

Frenchman Is Missing, Philippine Military Says

MANILA — French diplomats were seeking information Tuesday on military reports that a French citizen was missing in the Philippines after armed men fired on him and an Australian companion Friday on Sicabong Island, 600 miles (970 kilometers) south of Manila.

"We have no comment," said Jean-Pierre Swyngedauw, press attaché at the French Embassy. "We are still inquiring." The Philippine military blamed the shooting on the Moro National Liberation Front, an Islamic rebel group active in the southwestern Sulu Islands.

Pandas to Visit N.Y., Holland

BEIJING — Two pairs of Chinese pandas will visit the Netherlands and the United States next month on missions to raise funds to help protect their endangered species, the China Daily said Tuesday.

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Profits Law Imperils Yugoslav Firms

BELGRADE — More than 2,000 Yugoslav companies employing almost 600,000 people recorded losses last year, and about 200 of the companies could face liquidation, a trade union official said Tuesday.

The official, Dusan Koceljovic, a member of the Presidency of the Confederation of Trade Unions of Yugoslavia, said the information was presented at a meeting of trade union leaders on Monday in Belgrade.

Mr. Koceljovic said that 2,306 companies recorded losses in 1986 and that 200 were in "immediate danger of liquidation" because they failed to cover losses from as far back as 1985.

A bankruptcy law that is to take effect in July requires that companies losing money will have six months to recover their 1986 losses. Such companies will be required to

reduce wages to the minimum level. Those that fail to recover face liquidation.

Senior officials have been quoted in recent weeks as saying that applications of the bankruptcy law could cause further industrial unrest in Yugoslavia. There have been widespread strikes in the past month against a wage freeze.

Mr. Koceljovic said the authorities had frozen the bank accounts of about 25 percent of Yugoslav enterprises at various times last year for failing to meet business obligations.

The Belgrade daily Politika Ekipres reported Tuesday that many companies were often late in paying even minimal wages to workers, and that workers in some companies had not received any wages this year.

Another newspaper, the Zagreb daily Vjesnik, reported Tuesday that thousands of workers were be-

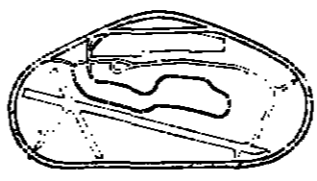
ing paid less than the minimum wage for their regions.

Yugoslavia has an annual inflation rate of nearly 100 percent. A partial wage freeze imposed a month ago, while living costs were allowed to rise, triggered a wave of strikes. Some prices were rolled back last month, but economists have expressed skepticism about the effectiveness of the move.

The cost of living in March was 94.8 percent higher than a year earlier, according to official figures, but unofficial estimates put inflation at 130 to 140 percent.

Prime Minister Branko Mikulic, in his economic plan for 1987, insisted on higher productivity and growing exports.

But exports have fallen 17.8 percent so far this year, and some companies have been forced to reduce output because they lack hard currency to import materials or equipment.



Alabama International Motor Speedway, Talladega, U.S.A. October 7 - 27, 1986

100,000 km at 213 km/h



Through torrential rain and blistering sun, the three production-series Saab Turbos pressed on regardless. After 20 days and nights of sustained high-speed driving, each of the cars flew past the 100,000 km milestone averaging speeds of 213.299 km/h, 210.082 km/h and 208.084 km/h respectively. The times include pauses for refueling and oil changes (courtesy of Shell), changing the Pirelli P600 tyres and servicing. Saab's high-speed test was sanctioned by FISA and run according to its international rules.

We took three of our standard Turbos out for a spin around the track. 23,566 laps later, at average speeds of around 210 km/h, all three Saabs had put 100,000 km behind them. The following records were set:

| | | | |
|--------------|--------------|-------------|----------------------------|
| 10 km | 202.798 km/h | 126.064 mph | international speed record |
| 10 miles | 207.191 km/h | 128.770 mph | international speed record |
| 100 km | 218.631 km/h | 135.911 mph | international speed record |
| 100 miles | 219.612 km/h | 136.490 mph | international speed record |
| 1 hour | 220.449 km/h | 137.010 mph | international speed record |
| 500 km | 217.284 km/h | 135.043 mph | international speed record |
| 500 miles | 217.050 km/h | 134.898 mph | international speed record |
| 1,000 km | 217.651 km/h | 135.271 mph | international speed record |
| 1,000 miles | 216.519 km/h | 134.651 mph | international speed record |
| 6 hours | 216.968 km/h | 134.846 mph | international speed record |
| 12 hours | 215.057 km/h | 133.550 mph | international speed record |
| 24 hours | 214.920 km/h | 133.465 mph | international speed record |
| 5,000 km | 214.936 km/h | 133.475 mph | international speed record |
| 5,000 miles | 214.486 km/h | 133.279 mph | international speed record |
| 10,000 km | 213.473 km/h | 132.650 mph | international speed record |
| 10,000 miles | 212.564 km/h | 132.085 mph | international speed record |
| 25,000 km | 212.687 km/h | 132.161 mph | international speed record |
| 25,000 miles | 213.816 km/h | 132.863 mph | international speed record |
| 50,000 km | 214.297 km/h | 133.162 mph | international speed record |
| 50,000 miles | 213.686 km/h | 132.782 mph | WORLD RECORD |
| 100,000 km | 213.299 km/h | 132.542 mph | WORLD RECORD |

Pretty good going for standard five-seaters.



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هكسان النحل

Australia Plans Major Upgrade of Military

By Michael Richardson
International Herald Tribune

CANBERRA, Australia — Australia has embarked on an upgrade and reorganization of its military forces to help make it self-reliant while enhancing its ability to cooperate in protecting Western interests in the region.

Under the plan, contained in a defense policy statement presented to Parliament last month, a substantial part of Australian military firepower will be moved from heavily populated eastern and southeastern coastal areas to bases in the largely empty north and west of the country.

About 25 billion Australian dollars (\$17.5 billion) is to be spent over the next 15 years on long-range warships, submarines, aircraft, radar and intelligence gathering installations.

Some Indonesian newspapers have implied that the Australian defense policy statement was directed at Indonesia.

Indonesian-Australian relations were especially strained last year, when Indonesian backed Australian reporters and required Australian tourists to obtain visas. The restrictions followed an Australian press report about President Suharto and the wealth amassed by his family and associates. Australia has been a critic of Indonesia's annexation in 1976 of the former Portuguese colony of East Timor.

The Australian defense minister, Kim Beazley, said in a recent interview that the military buildup was not being undertaken because Australia suspected Indonesia of hostile intent. Relations between the two countries were good, he said.

Mr. Beazley noted, however, that "we can be, and have been, attacked through the Indonesian archipelago and the Southwest Pacific." He was referring to Japan's attempt to invade Australia in World War II.

U.S. officials have welcomed the reaffirmation of Australia's regional security role.

The military plans have been generally welcomed in Australia, although the two main opposition parties in Parliament expressed doubts that the program could be fulfilled without raising the military budget.

The policy statement listed the following changes:

- The number of major surface warships in the Australian Navy will be increased to 17 from 12, and six diesel submarines, which Mr. Beazley said would be among the biggest in the world, are to be acquired.

- Half the fleet is to be stationed near Perth, Western Australia, so that it is closer to the main patrol areas in the north and northwest. The present fleet headquarters are at Sydney and Jervis Bay on Australia's east coast.

- Australia is taking delivery of 75 U.S.-built F/A-18 Hornet jet fighters to replace three squadrons of aging French Mirage. The Hornets will augment Australia's force of 22 swing-wing F-111 strike aircraft and 20 P-3C Orion maritime patrol planes.

- Four Boeing 707 jets will be modified for in-flight refueling to increase the Hornets' range and payload.

- The combat and maritime aircraft will be armed with advanced missiles and laser-guided bombs. The policy statement said that a submarine-launched missile was "another strike option for the longer term."

- A large electronic intelligence gathering station and a chain of three long-range radar complexes will be built in northern Australia. By bouncing signals off the ionosphere, the radar, developed by Australian scientists with U.S. assistance, can detect aircraft and shipping movements in Southeast Asia up to 1,500 miles (2,400 kilometers) away, far beyond the range of conventional radar.

- Australia's regular armed forces total less than 71,000 men. But Mr. Beazley asserted that use of advanced technology and careful management meant that "perhaps for the first time ever, Australians of all outlooks fundamentally agree that this country can defend itself."

The policy statement said that Australia's long-range strike capabilities were being "developed to respond quickly and lethally to early warnings far from Australia's shores."

It said that Australia would pursue self-reliance within the framework of its defense treaty with the United States and New Zealand and its military cooperation agreements with Papua New Guinea, Britain, Malaysia and Singapore.

In firmly rejecting isolationism or nonalignment, the statement noted that Australia was already the largest military power in the Southwest Pacific and that in Southeast Asia its "power projection capabilities, especially for strike and interdiction, are considerable by regional standards."

Australia's area of direct military interest, it said, included its home territories, adjacent ocean areas, Indonesia, Papua New Guinea, New Zealand and other nearby islands in the Pacific.

But the statement said Australia's broader strategic interests included Southeast Asia, Indochina, the eastern Indian Ocean and the Southwest Pacific.

An extension of Soviet influence in the region at the expense of the United States, the statement said, would be of "fundamental concern to Australia and would be contrary to our national interests."



AMSTERDAM SQUATTERS EVICTED — Dutch police lead a handcuffed squatter from a building on the Singel canal that had been occupied illegally for 10 years. About 750 officers, equipped with riot gear, stormed the building, arresting five squatters and two supporters on Tuesday. Several hundred people turned out to help resist the police.

China Said To Step Up Watch Over Foreigners

By Daniel Sourtherland
Washington Post Service

BEIJING — Chinese police surveillance of foreign journalists and diplomats here appears to have increased markedly in the aftermath of student demonstrations and the removal of the Communist Party chief, Hu Yaobang.

Within the past two weeks, several Western journalists have reported being the targets of surveillance by police agents. In two cases, American journalists were tailed for some distance by such agents.

Security police stationed in guard houses at the gates of compounds housing foreign diplomats and journalists recently began working around the clock.

The number of military guards stationed next to each gate has been increased from one to two.

One explanation being given is that the additional guard is a trainee. But the guards have increased the checks they make on Chinese employees of foreigners and others who enter the compounds.

The increased surveillance of foreigners and their activities — including some indications of increased telephone monitoring — is believed to be linked to a shake-up in China's police leadership and to police concern over contacts between foreign journalists and ordinary Chinese, including student dissidents.

Foreign observers believe that the police want to discourage such contacts and that in addition some police officers may be concerned about the disclosures in the foreign press of four confidential Communist Party documents over the past two months.

It was learned about a week ago that Ruan Chongwu, the minister of public security and head of China's main police force, was being removed from his post.

The pro-Communist newspaper Wen Wei Po in Hong Kong reported Tuesday that Mr. Ruan, 54, was being replaced by Wang Fang, a Communist Party veteran with past police experience who now holds the position of party leader of Zhejiang Province.

Mr. Ruan, who had held the police post for only a year and a half, had close connections with Mr. Hu, and that was believed to be one reason for his being removed. His removal from the sensitive police post has yet to be officially confirmed.

CHINA: A Push to Change the Political and Economic System of the World's Most-Populous Nation Runs Into a Snag

(Continued from Page 1)

that is an idea that would lead to chaos.

Indeed, Mr. Hu went so far as to suggest in a speech last year that the country's biggest obstacle to change was the party itself. That criticism may have been too much even for his patron, Mr. Deng, to tolerate.

Some analysts say that Mr. Hu

may also have committed a grave mistake last year in hinting that Mr. Deng, 87, and other party elders should retire earlier than planned to allow young modernizers to assume the top posts.

Mr. Deng employs a subtle and complicated leadership style, seeking to position himself at the political fulcrum where he can serve as supreme arbiter. Mr. Hu's failure to build consensus, as well as his

lack of Mr. Deng's political wiles, may also have hurt him.

Nevertheless, Mr. Hu's downfall shocked party members, not only because it came as a surprise but also because it cast into doubt the future of China's economic modernization drive and Mr. Deng's careful plans for a smooth transition to a new generation of leaders.

For the past eight years under Mr. Deng's stewardship, China has

surpassed many other Communist countries in overhauling its economy. The aim has been to make the economy less dependent on inefficient, Soviet-style central planning and more attuned to competition and free market forces.

In the view of reformers such as Prime Minister Zhao Ziyang, who is now the acting Communist Party chief, the success of the early reforms justifies arguments for further change.

But Mr. Zhao is proceeding more prudently than Mr. Hu ever did, staking out a middle position in which he tries to appeal both to his fellow reformers and to those leaders, often referred to as "conservatives," who fear the impact of greater change.

In the current struggle for political control, the conservatives have clearly gained in influence. While early changes required courage and imagination, further ones may prove to be more difficult because they would significantly reduce the power and influence of bureaucrats and party members. Every move from now on will prove painful for someone.

UNICEF, the UN Children's Fund, based in Paris, was expected to initiate a similar ban.

considerable achievements. According to a World Bank report, from 1979 to 1984, largely as a result of greatly accelerated agricultural growth, China's per capita national income grew at nearly 7 percent per year.

The success of the early reforms, which Mr. Zhao hopes will propel momentum toward further change, can easily be measured in its effects on people's daily lives.

In rural areas, the decision to allow farmers to make many of their own decisions has unleashed tremendous energies and led to an improvement in living standards for hundreds of millions of people. In the cities, the widespread availability of consumer goods and the ability of many workers to buy them attests to greater affluence.

An official survey conducted last year in more than 100 Chinese cities showed that per capita income in urban areas rose 6 percent last year after inflation. It showed that city dwellers were buying more washing machines, tape recorders, refrigerators and television sets.

A sizable minority of the rural population still lives in extreme poverty. Crowded housing continues to be a major problem in the

cities and complaints about inflation are frequent.

As far as the West is concerned, this improvement in living standards, modest though it may still be, makes China a force for peace and stability. If the changes that nurtured this progress are threatened or slowed down, the world's most-populous country could become a less predictable partner.

The "conservative" leaders at the top levels of the government and party who oppose rapid political and economic change do, however, have many allies in the provinces. And the lack of education and technical abilities among the provincial cadres creates a formidable barrier to change.

In some ways, China's capacity for change has been greater than that of any other Communist country. The Chinese bureaucracy remains a major obstacle to change, but it is probably less deeply entrenched than that of the Soviet Union, where Communist rule was established a generation earlier.

Hungary and Yugoslavia offer the leading examples of how far political change can go these days in a Communist system. Even in Poland today, a degree of political

reform has been accepted. Poland's legal reforms, closely related to political reform, include a constitutional tribunal that has ruled against the government several times.

Poland, Hungary and Yugoslavia have all instituted multiple-candidate elections, and the Soviet Union is considering a similar concept.

Chinese economists say generally that while they can learn from mistakes made in Hungary and other East European countries, they do not see enough success in those experiments to offer them a vision of the future.

And when the Chinese leaders look at Yugoslavia and see workers striking there, as happened last month, they sense that transferring too much power to workers, or to any other group, can be dangerous. While they see much to admire in Yugoslavia, it is not in the realm of political reform.

Rather, Mr. Deng and other Chinese leaders are looking increasingly toward East Asia for success stories. In their view, the examples of authoritarian regimes such as in Taiwan and South Korea show that economic progress can exist without democratic political reforms.

Belgium to Restrict Public Smoking

Reuters

BRUSSELS — Smoking will be banned in most enclosed public places in Belgium, one of Europe's biggest tobacco-using nations, beginning Sept. 1.

The secretary of state for public health, Wivina De Meester, said at a news conference on Monday that a law against smoking in public places had been signed by King Baudouin I.

Smoking will be banned in schools, hospitals and rest homes, railroad stations, waiting rooms, and publicly owned cultural and sports centers. Violators can be

fined up 18,000 Belgian francs (\$480).

A few exceptions will be allowed in buildings where it is possible to provide separate facilities for smokers and nonsmokers.

About one in three Belgians smokes. After Denmark, this is more per capita than in any other European Community nation, tobacco industry sources said.

Advertisements for cigarettes in Belgium must warn that tobacco damages health. Smoking is banned in public buildings in Sweden, Italy, France,

the Netherlands and some states in the United States.

WHO Bans Smoking

World Health Day was marked Tuesday by a World Health Organization ban on smoking at its Geneva headquarters, United Press International reported from Geneva.

Smoking will be allowed only in certain restricted areas, the statement said, but there will be no formal nonsmoking policy.

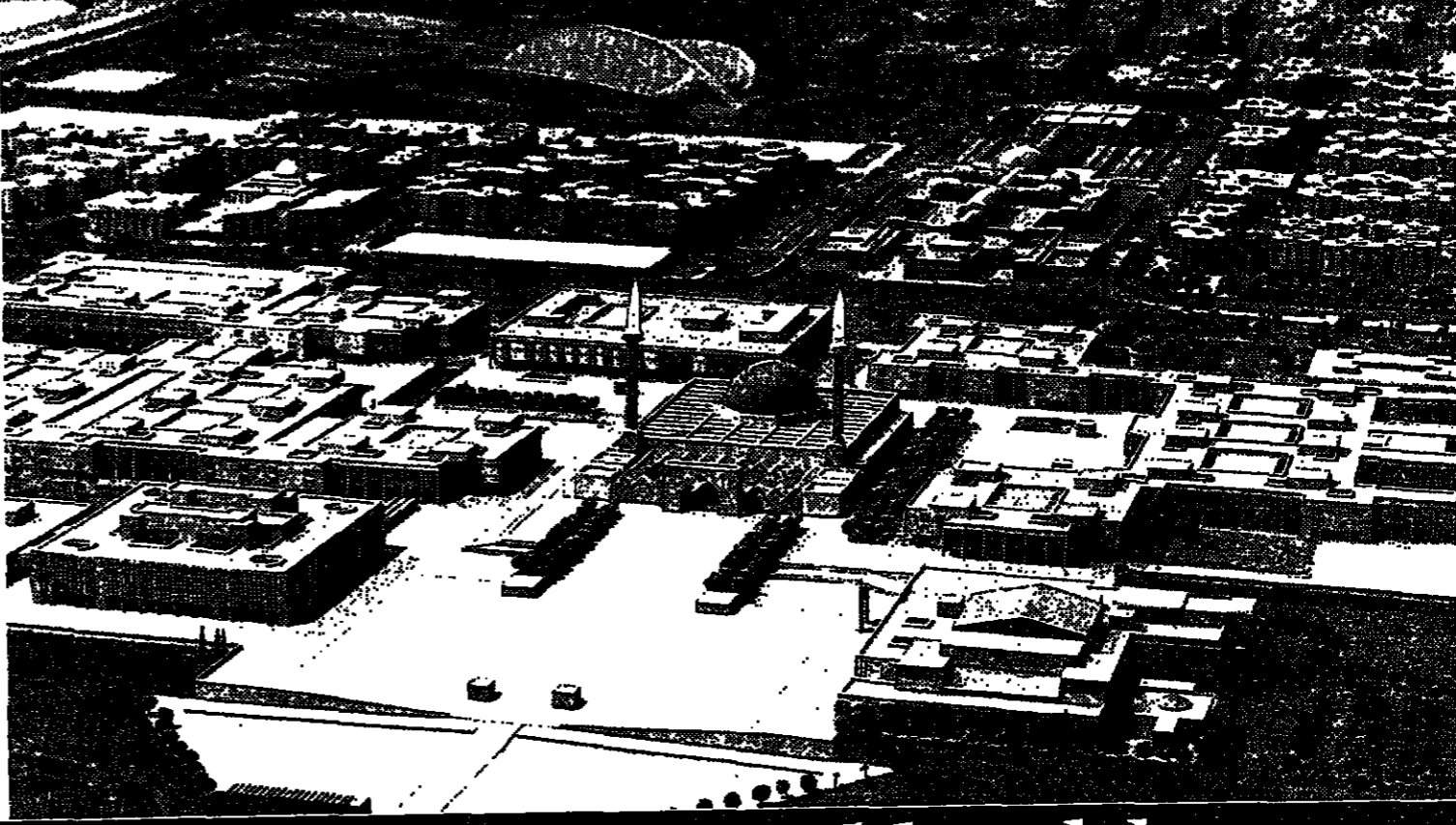
UNICEF, the UN Children's Fund, based in Paris, was expected to initiate a similar ban.

The impressive Imam Muhammad Ibn Saud Islamic University, a world centre for Islamic culture and education in Riyadh, Saudi Arabia, is a vast campus of faculty and medical buildings, a housing estate and a magnificent sports centre.

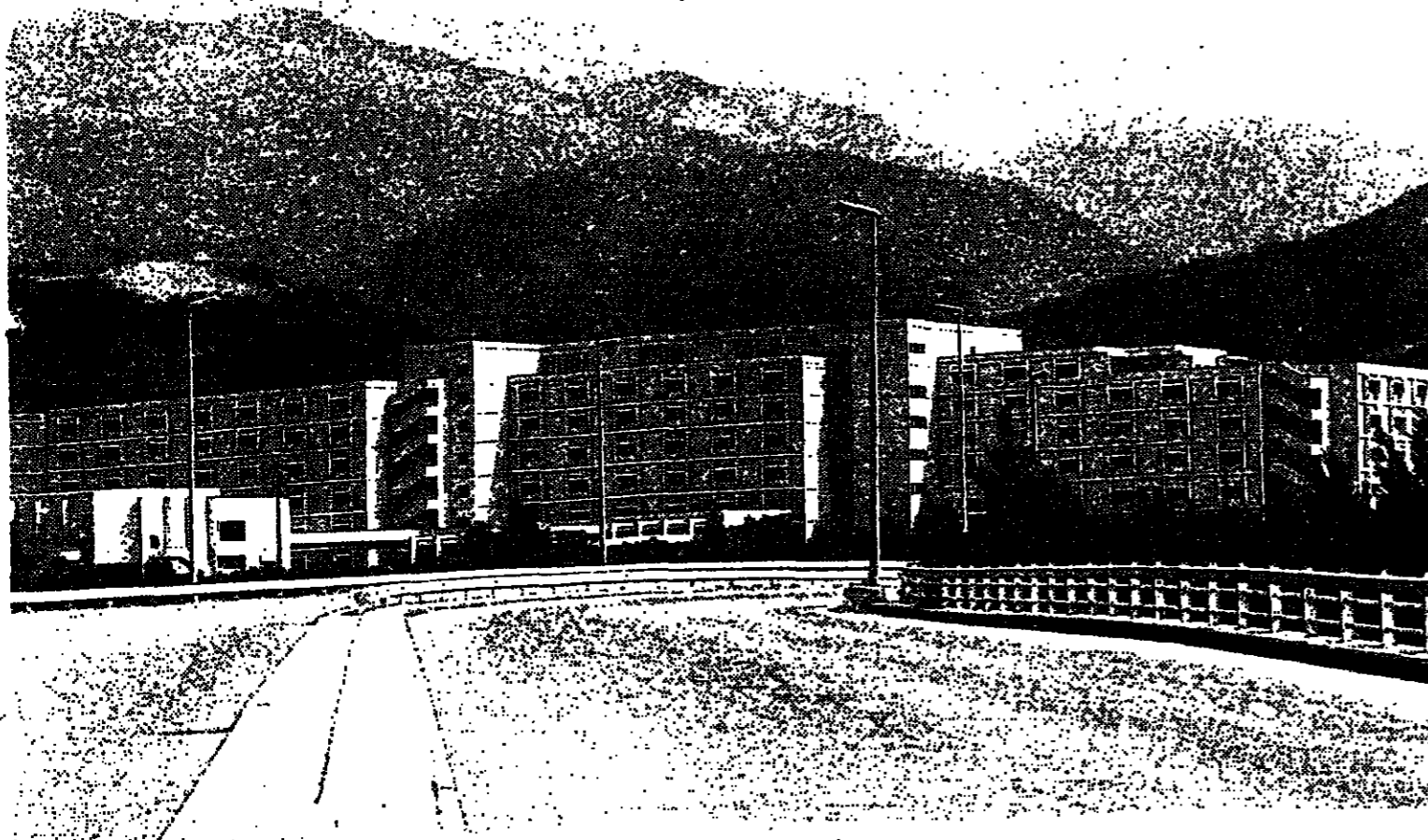
Now nearing completion, it offers higher-learning facilities for 12,000 students and recreation and living accommodation for up to 30,000 residents.

As a major contractor to this ambitious project, Philips is supplying household appliances and lighting for the entire housing estate; audio/video equipment, security television, public address, intercom and specially developed energy-saving lighting for the university.

Professional services, too, in the form of project engineering, systems design and installation supervision. Altogether a fine example of how Philips can apply its expertise to any size and type of project, anywhere in the world.



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Near the historic Greek university town of Patras, some 200 kilometers west of Athens, Philips is helping to build and equip a 770-bed hospital complex; complete with residential facilities for a medical staff of nearly 1500.

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Philips Corporate Marketing Communications, Eindhoven, the Netherlands.

Effort to Modernize Strains Lenin's 'Golden Rule'

By Bill Keller
New York Times Service
KARAMKEN, U.S.S.R. — "When we are victorious on a world scale, I think we shall use gold for the purpose of building public lavatories in the streets of some of the largest cities in the world," Lenin wrote in 1921. "I don't know what this means," said Nikolai M. Selyutin, manager of the Karamken gold mine and concentrator here about 50 miles (80 kilometers) north of the Siberian city of Magadan in Magadan Province. "But we believe in it." Perhaps, but Lenin's vision of a time when the quality of life would

no longer be tied to gold seems far off, and getting further. Pressed by the need for foreign currency to support a planned modernization of industry and to make up for slumping oil revenue, the gold industry is expanding.

How much, like almost every detail of the gold industry, is a carefully guarded secret, as a group of Western reporters found during a closely supervised visit to this mining complex.

"Where do you send your refined gold," a reporter asked, before a descent into a mine shaft.

"To the central part of the country," replied Mr. Selyutin, a good-natured engineer who seemed faintly amused.

"What city?"

"How many workers do you have?"

"Enough to work profitably."

When asked for production figures, Mr. Selyutin simply laughed, flashing a row of gold caps.

The Soviet Union, the second largest gold producer after South Africa, publishes no statistics on gold, or on most other metals for that matter. Western researchers have been computing estimates based on scattered information.

The gold reserves are a vital shock absorber for the Soviet economy, especially now when lower oil prices have cut into export earnings.

According to recent joint reports by the Central Intelligence Agency and the Defense Intelligence Agency to the Joint Economic Committee of Congress, the Soviet Union sold \$3.8 billion worth of gold last year, up from \$1.8 billion the previous year and from \$1 billion the year before.

Without gold, Magadan Province might well still be the exclusive preserve of Chukchi reindeer herders and other indigenous peoples.

It was the goldfields of the Kolyma River, discovered in the late 1920s, that drew geologists to this area. It was gold that made the region a logical, if cruel, site for Stalin's notorious labor camps from the 1930s to the mid-1950s.

From the camps, ordinary convicts and political prisoners were marched to work in the gold pits at temperatures of more than 50 degrees below zero (46 below zero centigrade).

Gold is believed to be one reason Magadan Province has been closed to most foreigners. The recent visit here was the first by a group of non-Communist journalists.

Alexander D. Bogdanov, provincial party chief, estimated that mining accounted for two-thirds of the province's 2 billion rubles (\$3 billion) in annual industrial output. The province also yields silver, tin and tungsten, but mostly gold.

In Siberia, gold is either bulldozed or dredged from surface gravel deposits known as placers or, as in the case of Karamken, dug from deep lode mines. The placers were the first to be mined starting in the 1930s, and as they became played out, the industry has been increasingly blasting into bedrock.

A 12-minute ride on an East German mine trolley, clattering down a narrow, concrete-lined shaft takes the miners two miles into the mountain. The air, pumped in through conduits, is cool and fresh, but not uncomfortably cold.

The mountain is crisscrossed by horizontal tunnels on six levels. On the upper levels, miners use compressed air guns to dig holes for dynamite, then blast and dig the ore, and spill it down chutes into waiting ore cars in the lowest tunnel.

The ore itself is unremarkable to the eye, the gold so thinly dispersed that it hardly glitters. There are no nuggets to be pocketed.

Miners work around the clock in four six-hour shifts — first a blasting crew, then several hours of preparing the shaft, and finally two digging shifts.

At the concentrator near the mouth of the mine, lumps of ore are fed into a crushing mill and ground to powder. The powder is mixed with water, and the gold and silver are separated chemically.

Miners earn 700 rubles a month, a high salary by Soviet standards because of a premium paid in this remote region.

Lenin's dictum notwithstanding, the lives of workers here are becoming more dependent on gold, not less. Next year the mine here is scheduled to join other Soviet industries in "self-financing," which means that the mine administration will keep a share of the profits to spend as local managers see fit on housing, new equipment and amenities for workers.

But then, Lenin himself conceded that, pending the world revolution that would render gold into toilets, Russia should get as much of the stuff as it could. In a metaphor that seems especially suited to the tundra of northeast Siberia, he said, "When you live among wolves, you must howl like a wolf."

Haig-Speak: Metaphor Over Mind

The Associated Press
WASHINGTON — "It would serve no useful purpose to put fences around options that would diminish the promulgation of new roadways."

Alexander M. Haig Jr., one of three announced candidates for the 1988 Republican presidential nomination, tossed off that gem when asked, as President Ronald Reagan's secretary of state, whether the United States had ruled out the use of force in Central America.

The retired U.S. Army general and former North Atlantic Treaty Organization commander may be a long-shot candidate for president but he seems a sure bet to add linguistic color to the campaign, based on his penchant for mixed metaphors, biting barbs and self-deprecating humor.

"It is true that Haig-speak has become a rather notorious form of communication," he once said.

As a mixer of metaphors, he is a master. To Mr. Haig, a politically troubled region was never merely a hot spot but a "vortex of cru-



Alexander M. Haig Jr.

Haig drew up a directive to establish the chain of command in Mr. Reagan's foreign policy apparatus.

It was a clear attempt by Mr. Haig to stake out a role as Mr. Reagan's chief formulator of foreign policy. A colleague recalled that Mr. Haig said of the White House at the time, "We're going to slip off their underwear before they know their pants are unbuckled."

At a 1981 gathering of Washington's football elite, Mr. Haig joked about his large security force:

"The master of ceremonies told me that if Haig and his security detail left the room, it would be half empty. I said, 'If you think that's bad, last night when I leaned over to kiss my wife good night, I had to tell my agent to roll over.'"

In a more serious vein, Mr. Haig complained bitterly about what he regarded as the emasculation of U.S. intelligence services under President Jimmy Carter. During that period, he said, there was a "conscious castration of America's eyes and ears around the world."

ciality," and a diplomatic hint became a "nuanced overtone."

When Mr. Haig arrived at the State Department, he called himself the Reagan administration's foreign policy "vicar" but that goal always eluded him, his designs thwarted by a White House staff that, Mr. Haig contended, undercut him.

Shortly before the administration took office in 1981, Mr.

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mum reliability using the same computer techniques (FMEA), which eliminate potential problems already at the design stage.

The plane makes distances seem shorter, whilst the large BMW makes short shrift of long journeys,

and both have exceptionally aerodynamic bodies.

But there are also differences. The BMW can't quite match the top speed of the jet but, on the other hand, you never need landing permission with the 735i. That alone makes them a perfectly matching set.



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ARTS / LEISURE

A Playwright's Self-Portrait

By Robert Cushman
International Herald Tribune
LONDON — Peter Nichols, who vowed some five years ago to give up playwriting, has relapsed. The fruit of his backsliding, called "A Piece of My Mind," is on view at the Apollo.

THE LONDON STAGE

...couth or equivocal, but it seems right for the play which is a confessional, alternately reckless and guarded. Nichols shows us a blocked playwright called Ted Forrest trying to write a novel — about a blocked playwright trying to write a novel. How much simpler it would be, he muses, if he could turn it into a play, and such a play does indeed take shape before us.

Mainly it is about the author's discontents: professional, familial, sexual. He looks back on his life, and recalls how long it took him to become successful. Just as he was giving up hope of progressing beyond disposable TV writing, he got the chance to write a movie for a pop group. The same thing happened to Nichols in the '60s (the film was "Catch Me If You Can" with the Dave Clark Five), and Ted's subsequent theatrical success, though less than he would like and followed by attempted retreat into prose fiction, also follows Nichols's own fairly closely.

Indeed the play would have little point and less interest if we did not feel that it was the author himself we were watching up there. He paints himself pretty black. Ted's existence seems to be domi-

nated by his jealousy of a younger dramatist — called Miles Whittler, because everybody thinks he is — whose personal and professional credentials sound like those of Nichols's fellow Bristolian Tom Stoppard.

Nichols confessed in his autobiography to a nagging jealousy of Stoppard, but it is hard to believe that he has been as totally obsessed by it as Ted is here. Indeed Nichols is aware of how trivial his woes may seem to non-playwrights, and so he is continually undercutting himself, making fun of his own play as it unfolds. He goes a step further and satirizes the whole idea of making a play, calling attention for example to the quick changes he demands from his cast of five. In one light this is refreshingly honest; the author tells the truth, even about the difficulties and embarrassments of telling the truth. In another, it is just arch, and stops the play from building up any steam. Nichols even includes a critic in his cast, anticipating every hostile comment we might make. Castigating the play for terminal self-consciousness, he is himself a symptom of it. But of course Nichols knows that.

The jokes are mostly funny, but the play seems blander than it should. Justin Greene's production lacks pace, and George Cole's amiable performance of Ted goes easy on bile and the sore spots. Anna Carteret, crisp and nourishing as whole-grain bread, plays the capable wife every playwright should have, doubling excellently as the dragonish lady agent most London playwrights do have. Gwyneth Strong, a vivid young actress very good at being dismissive, draws



Jonathan Pryce as Macbeth, Sinead Cusack as Lady Macbeth.

sharp outlines of Ted's daughter and a selection of his fantasies.

Last year's Stratford-on-Avon productions have begun their annual ramble down the road to London. First on the main Barbican stage is "Macbeth," in a tight, gripping production by Adrian Noble played in black-walled sets by Bob Crowley that end up closing in on the hero. Jonathan Pryce's Macbeth is haunted as much by his childlessness as by his crimes, and

takes refuge from both in fits of manic laughter, since these are with him from the start the performance develops within a narrow compass.

It is consistent, and Pryce is often thrilling, especially in the dagger speech and in a virtuoso banquet scene, tormented all over the stage by the invisible ghost — but it does not satisfy. This Macbeth has nothing to fall from, nowhere much to go. Sinead Cusack's Lady Macbeth has the exact measure, strong

and pitiful, of a woman who thinks she is using her husband but is used by him. The witches are excellently businesslike; the porter, wandering among the audience and interpolating, suggests all over again how much our bright and earnest younger directors have to learn about comedy.

Trevor Nunn, the Royal Shakespeare Company's departing supreme, knows all about it, and "The Fair Maid of the West," brought from the Stratford Swan to the RSC's newest outpost, the Mermaid, is one of his warmest shows. A patriotic Elizabethan two-part by Thomas Heywood, it is offered to us here as an impromptu performance by strolling players.

Maybe Nunn makes more implicit apologies for the play than it needs, but he manages to give us its values, and its sense of adventure, our own distance from them, and a roaring good time, all at once. The actors play together marvelously, if a little indulgently and as Bess Bridges, the barmaid turned privateer captain scouring the Spanish main in honor of her true love, Imelda Staunton, spunky, diminutive and unfussily emotional, gives the evening a human heart to balance all its high jinks.

Knitting a Fine Seam

By Kate Singleton
MILAN — The Catholic Queen Isabella of Castile, whose major claim to fame is that she financed the trans-Atlantic expedition of Christopher Columbus in 1492, was utterly scandalized when the Ambassador of France presented her with his sovereign's humble respects, and a pair of exquisitely embroidered silk stockings. How dared the French monarch allude so grossly to that pious lady's august but hidden extremities?

In general, however, men have found that such rebuffs were risks worth taking, and fine stockings have always been a promising and precious gift. Even when the Reverend William Lee, anxious to alleviate his wife's fatigues as a stocking-knitter, invented the first knitting machine in 1589, the relative value of fine stockings did not go down. Luxury goods they were, and luxury goods they remained.

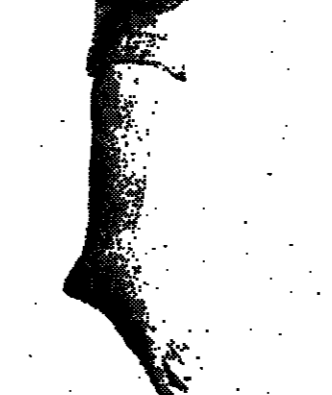
The present-day stocking industry is just getting back onto its feet after some difficult years. Things looked bleak in the late '60s and early '70s, when jeans became universal attire and interest in women's underwear was equated with a desire for their captivity. But now fine petticoats and sheer hosiery are back, and manufacturers are expanding and modernizing to produce articles to meet practically any whim and occasion.

In modern times the most important stocking manufacturing area in Europe has been in northern Italy's Po Valley, not far from Lake Garda. Here the knitting tradition can be traced back to the 16th century, when domination over these territories was disputed between the Serenissima Republic of Venice and the powerful Gonzaga family of Mantua. In those days Castelfordino, now the absolute world capital for nylon hosiery, was a small military stronghold. Today its moderate size and modest aspect belie the production methods concealed behind the plain walls of discrete little factories. For in and around Castelfordino extremely sophisticated technology is so readily experimented on, improved and adopted that Italy is now world leader in the production of the relative textile technology as well.

William Lee's stocking machine could knit 16 rows of stitches in the time a skilled hand-knitter would take to set up one needleful. It was described as a "masterpiece of the creative power of the human mind" and received ample treatment in that extraordinary Enlightenment homage to modernity, the Encyclopedie of Diderot and D'Alembert. Nowadays similarly miraculous



Pompadour's stocking.



And Isadora Duncan's.

feats are performed by a specially programmed Mitsubishi computer whose floppy disks are then popped into a completely automated knitting machine that spits out the finished prototype for inspection within minutes. The stocking designer thus sits in front of a video terminal (or finds a technician to do it for him) and transfers his sketches from paper to screen. And the resulting information stored on the floppy disc then instructs the knitting machine for the production of the desired item. This whole process may take three or four hours. Until very recently sketches had to be transferred onto squared pattern paper which then told the machine setter which of the 400 pattern jacks had to be manipulated in what order to obtain the required knitted pattern.

In 1985 Italy produced somewhere in excess of 1,024 pairs of nylon pantyhose and around 139 pairs of nylon stockings and knee-socks. Half of these were exported, mostly to Germany, France, Belgium and the Netherlands.

For important companies such as Velca, which make high quality products, the French market is growing, particularly interesting in view of the readiness of some French fashion houses to expand

their range of griffe hosiery. Helene Rubenstein will be marketing a new collection of hosiery designed and made for them by Velca in February. And, on the home front, the results of collaboration between Velca and Gianfranco Ferré should be ready by April. Velca has been one of the first companies in the Castelfordino area to introduce highly advanced equipment into a production cycle whose various phases have been carefully separated.

All hosiery, be it stockings or pantyhose, starts off as a simple knitted tube. These are blown into a bin out of a long plastic proboscis fitted to the face of the knitting machine at the rate of one a minute, or 45 to 50 dozen a day, per machine. Machines such as those produced by the firm Lonati are now completely automatic and can store several programs.

Pantyhose begins to look like pantyhose when it has been through the seaming department, largely manned by robots. Some human collaboration remains, however. A worker pulls the stretchy knitted tubes onto pairs of free mechanical arms. Swordfish-like snippers then open them beneath so that the two tubes can be sewn together and trimmed. Next the garment is turned inside-out and the toes are sewn. Quality controls ensue, but the process is not yet finished. For concessions have to be made to what is apparently a mere female whim that has no technical justification in view of the quality yarns now used; the gusset has still to be added, which means burning out a central piece and stitching in a replacement.

The remaining productive phase is the dyeing and shaping. Dye compositions and color matching are now largely computer controlled. And shaping involves steaming the tubes into more flattering and leg-like contours.

Although stockings and pantyhose are products of the same technology, there's something poetic about the former and distinctly prosaic about the latter. For every day wear women seem disinclined to sacrifice the convenience of pantyhose in the name of poetics and eroticism. However recent sales trends show that the request for quality stockings (whose price is usually superior to that of equivalent pantyhose) is on the increase. Manufacturers are investing accordingly. Who knows whether chemists are now working on whale-bone substitutes for stays?

Kate Singleton is a Milan-based journalist who writes frequently on cultural affairs.

DOONESBURY

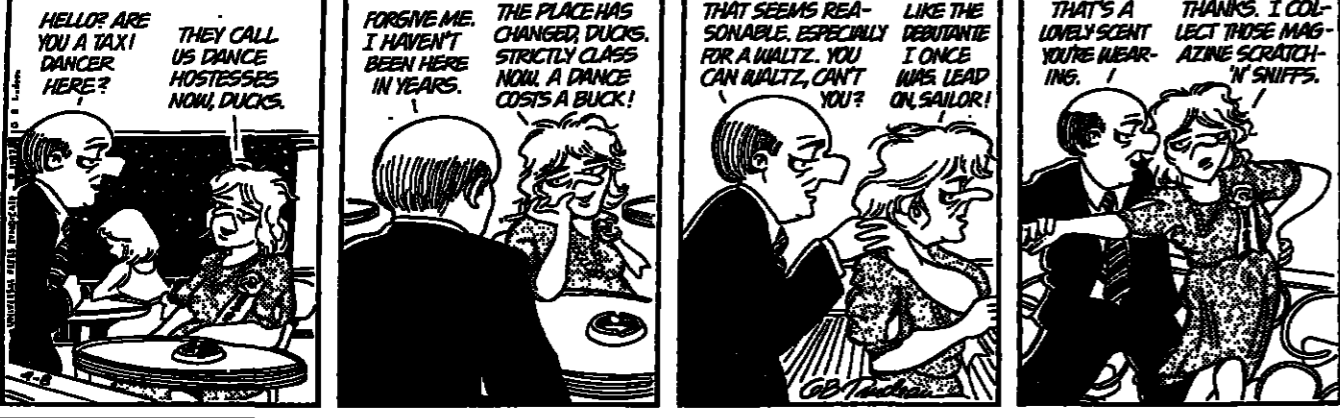


Table with 5 columns: NYSE Most Actives, listing various stocks and their price changes.

Table with 2 columns: Market Sales, showing volume and value for NYSE and AMEX.

Table with 5 columns: NYSE Index, showing high, low, close, and change for various indices.

Tuesday's NYSE Closing. Via The Associated Press.

Table with 2 columns: AMEX Diary, listing various stocks and their price changes.

Table with 5 columns: NASDAQ Index, showing high, low, close, and change for various indices.

Table with 5 columns: AMEX Most Actives, listing various stocks and their price changes.

Table with 2 columns: Dow Jones Bond Averages, listing various bond averages.

Table with 2 columns: NYSE Diary, listing various stocks and their price changes.

Table with 2 columns: Odd-Lot Trading in N.Y., listing various stocks and their price changes.

Table with 2 columns: Dow Jones Averages, listing various averages and their values.

Table with 5 columns: Standard & Poor's Index, showing high, low, close, and change for various indices.

Table with 2 columns: NASDAQ Diary, listing various stocks and their price changes.

Table with 5 columns: AMEX Stock Index, showing high, low, close, and change for various indices.

Table with 5 columns: 12 Month High Low Stock, listing various stocks and their price ranges.

Dow Off 44.60, Ending Rally. United Press International. NEW YORK — The stock market slid sharply in active trading Tuesday, ending a five-day rally that sent the Dow Jones industrial average to its first close above 2,400. The Dow Jones industrial average finished the day down 44.60 to 2,360.94. Declines led advances 1,118-521 among the 1,985 issues crossing the NYSE tape. Big Board volume amounted to about 186.4 million shares, compared with 173.7 million Monday. Traders said a weak bond market and weakening prices on some stock index futures contracts contributed to selling pressure, particularly at the end of the day. Earlier, the market recouped initial losses suffered partly because of a sell program by the State of New Jersey, which is divesting itself of companies that do business in South Africa. The lower levels attracted enough buyers to send the Dow up as much as 14 points by late morning. But the gains were gradually erased, and by mid-afternoon the market was showing losses. Robert Kahan, manager of equity trading at Montgomery Securities in San Francisco, said the market had to deal with "profit taking, a few sell programs and bond market weakness." But Mr. Kahan said after five straight days of gains, it was "time for a little backing and filling." He predicted the market would move higher again by the end of the week. Harry Vilcek of Sutor & Co. in San Francisco was more cautious. "We are far over-extended," he said. "The stock market could still go up another 50 or 100

Table with 5 columns: 12 Month High Low Stock, listing various stocks and their price ranges.

Chopard GENÈVE. Ref. 36/1131 - 18 ct. gold - water-resistant. LUNA D'ORO - Beauty reflected from within. For further information, please contact: Chopard & Cie. S.A. 8 rue de Vevrot, 1217 Meyrin-Genève, tél. (22) 82 17 17.

Table with 5 columns: 12 Month High Low Stock, listing various stocks and their price ranges.

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Panasonic. For Newly Men. The Human Face. Various advertisements and notices on the right margin.

INTERNATIONAL MANAGER

For Newly Merged Firms, The Human Factor Counts

By SHERRY BUCHANAN

LONDON — Companies that raid and take over others are often portrayed as predators that almost immediately begin getting rid of people. But according to a new study, managers who behave well toward the staff of a company they have taken over are more likely to end up with a successful company than are their more callous counterparts.

In more than half the positive acquisitions, the buyers lived up to their promises.

"The predator myth gets all the attention," said John W. Hunt, faculty dean and professor of organizational behavior at London Business School, and one of the authors of the study, "Acquisitions: The Human Factor."

"One myth, for instance, is that there is usually a bloodbath after a takeover," he said. In fact, only 5 percent of the employees from the 40 acquisitions studied were asked to leave, he said.

In one third of the companies, no director or employee was asked to leave as a result of the takeover, according to the study, which was made by the London Business School and Egon Zehnder International, an executive search firm.

According to its authors, the study is the first to look at how managers' behavior affects the outcome of an acquisition.

The survey analyzed 40 acquisitions by British companies between 1981 and 1985. Forty-five percent were friendly, 45 percent were partly contested and 10 percent were hostile.

The survey asked managers of the acquiring and the acquired company to say whether they considered the business was in "better shape" than before the takeover. Where both sets of managers were in complete agreement, the study regarded the takeover as highly successful.

Surprisingly, the report concluded, how well the new managers behaved toward the staff of the acquired company seemed to determine whether the company would be successful, not whether the buyer was more or less experienced at takeovers, was bigger than the seller or had more money, or that the takeover was friendly, hostile or partly contested.

ACCORDING to the study, good management behavior includes honoring promises made before a takeover, giving better wages and career opportunities, and talking to staff at all levels to let them know what will happen to them.

In more than half of the acquisitions rated as positive, the buyers lived up to the promises they made before the takeover.

Such promises include telling the board and top managers precisely how much control they will retain; honoring existing contracts and conditions of employment and guaranteeing pension arrangements; designating beforehand the people who will be asked to leave and who will stay as a direct result of the takeover; and planning an "honorable disposal" of surplus businesses through management buyouts or redeployment of staff.

In 39 percent of the acquisitions regarded as unsuccessful, the new managers did not keep their word.

In two-thirds of the takeovers regarded as positive, managers of the acquired company said they believed they had been given a better deal: They received better performance incentives, better pension plans, better career prospects or they reported the introduction of share options. In two-thirds of the unsuccessful ones, the managers of the acquired company said they thought they were worse off than before the takeover.

How the news gets out about what is going to happen immediately after the takeover is crucial, the report said. In 77 percent of the acquisitions regarded as positive, the chairman of the buyer company went to meet the chairman of the company just acquired. In 58 percent of the unsuccessful cases, there was almost no contact between the two.

"It's as if the buyer was being shy about confronting the

U.S. Used-Car Lots Squeezed by Cheap Imports

'Minis' Projected To Take 12% of Market by 1991

By Warren Brown

UPPER SADDLE RIVER, N.J. — Hidden in an industrial park in this suburb of New York is the brain center of another GM — Global Motors Inc.

Despite the grandiose name, it is a tiny enterprise, a collection of three leased warehouses outfitted with modular offices.

There is something tentative about the setting, something reminiscent of props in a one-act play.

But the people who brought the Yugo minicar from Yugoslavia to the United States in 1985, and who are planning to import the Proton Saga subcompact from Malaysia, say they are here for the long run.

If true, they and their competitors in the burgeoning minicar market could alter radically car-buying choices in the United States.

The minicars, called "import cheapies" by their detractors, already are taking sales from used-car lots.

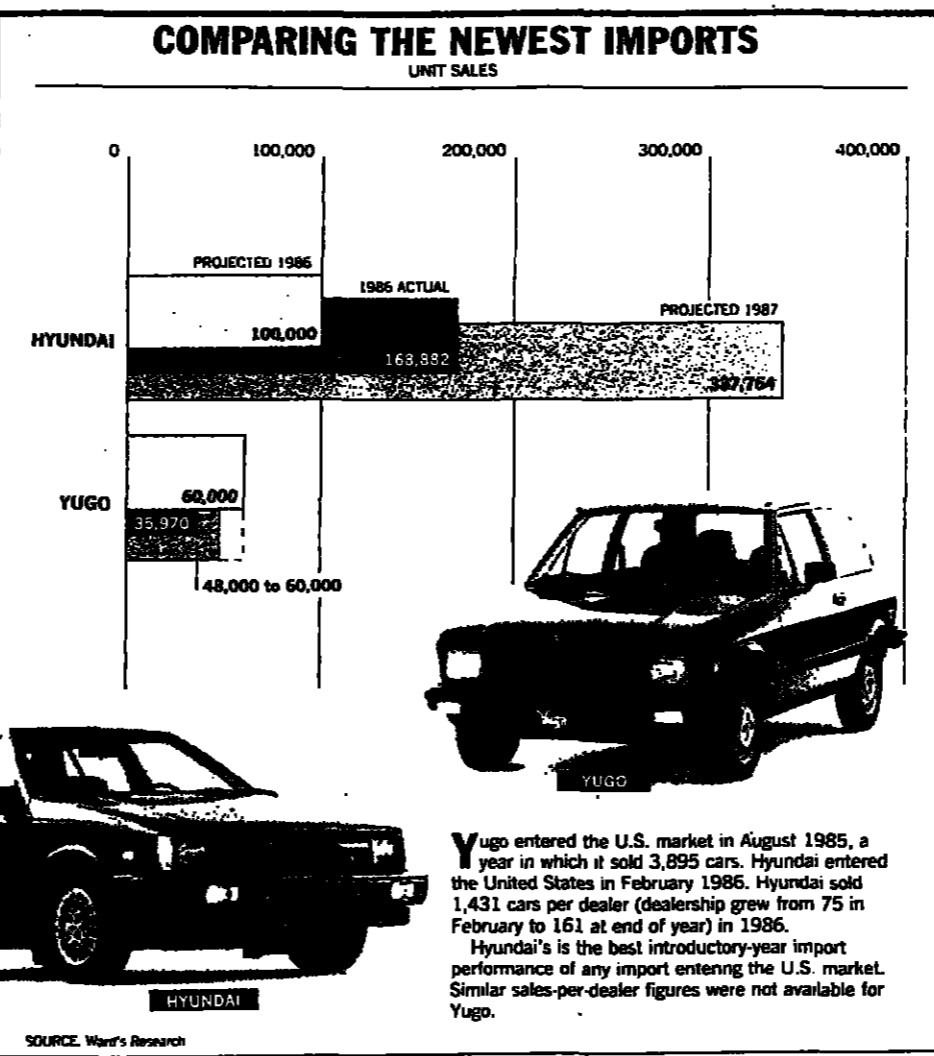
Exact figures are hard to come by, because of the relatively unregulated nature of the used-car business.

"But it would be foolish of me to say that we aren't concerned," said Vernon Ingram, president of the National Independent Automobile Dealers Association in Irving, Texas, a group representing 13,000 used-car dealers nationwide.

"The import cheapies are having an immediate impact throughout the used-car market, with the biggest impact being felt in the \$4,000-to-\$6,500 segment of the business," Mr. Ingram said.

That is good news to Global Motors officials, whose \$4,000 Yugo GV is positioned to mine a potentially lucrative crevice between new-car and used-car sales, assuming it can overcome its reputation for mechanical deficiencies and widespread consumer unhappiness.

"We call it the second entry-



SOURCE: Ward's Research

level market," said the president of Global Motors, William E. Prior. "It's a seam, really, a place that exists between the large-volume, entry-level, new-car market and the used-car market. That's where the Yugo really sits," Mr. Prior said.

U.S. buyers in that realm had been largely ignored by automakers of every sort until the arrival of the Yugo and such other minicars as the Hyundai Excel from South Korea and the Suzuki-made Chevrolet Sprint and the Mitsubishi Mirage from Japan, during the past two years.

The makers of these cars are attempting to repeat the strategy that earlier Japanese entrants

used to make their mark in the U.S. market: offer reliable, inexpensive transportation.

But the Japanese started moving upscale in the early 1980s, and domestic car companies, more intent on selling higher-profit mid-size and full-size models, also gave many entry-level buyers the bum's rush.

"Entry-level," in fact, took on a new meaning. No longer did the term refer to \$2,000-and-under cars represented by the venerable Volkswagen Beetle of the 1950s. Instead, 1980s car shoppers seeking cheap, new transportation often were confronted with base-car prices beginning at \$6,000 or more.

Used cars were little more of a bargain. Even today, the average price of a three-year-old, domestic used car is about \$3,300, and prices of comparable used imports tend to be higher.

For example, a 1984 basic Honda Accord sedan fetches an average \$6,750, and the more luxurious LX version of the car calls for an average of \$7,900 on East Coast used-car lots, according to the current Eastern Edition of the Official Used Car Guide, published by the National Automobile Dealers Association in McLean, Virginia.

"A lot of the people who buy

Nancy Brooke Smith/The Washington Post

See MINIS, Page 15

Ex-VW Official Is Arrested in Fraud Probe

By Ferdinand Proczman

FRANKFURT — The Brunswick prosecutor's office has arrested Burkhardt Junger, former chief foreign exchange dealer at Volkswagen AG, "on urgent suspicion of embezzlement," in connection with allegations of large-scale currency fraud at the giant automaker.

It was the first arrest in a widening scandal that has shaken West Germany's financial community, and may leave Volkswagen with losses of as much as 480 million Deutsche marks (\$262 million).

Mr. Junger, 39, was taken into custody on Sunday, and was arraigned Monday in Brunswick, said Carl Hermann Retemeyer, chief state prosecutor at the Brunswick prosecutor's office. He did not say where the arrest occurred.

"There was reason to believe that Mr. Junger might have tried to leave, so the investigating magistrates asked for his arrest," Mr. Retemeyer said.

Currency market experts say the allegedly illegal dealings must have involved at least several persons, inside and outside Volkswagen. Mr. Retemeyer confirmed that the investigation was not over.

"We are still investigating a larger circle of people, including Frankfurt currency dealers," Mr. Retemeyer said. West German state attorneys are also waiting to question Joachim Schmidt, manager of a Frankfurt-based foreign exchange brokerage, who vanished the day before news of Volkswagen's problems broke.

But Mr. Retemeyer said there were no arrest orders or indictments against Mr. Schmidt or other possible accomplices, at the moment. Mr. Retemeyer would not say whether other arrests were expected.

"With the worldwide coverage Volkswagen has gotten from this, I doubt Mr. Schmidt is hurrying to return to Germany," said a Brunswick prosecutor.

Volkswagen announced the alleged fraud and the possible losses on March 10. Until that time, the company had repeatedly denied rumors of large foreign exchange

losses or irregularities in its currency trading operations, which had circulated in West German financial markets for several months.

The company said computer data bases were erased and programs altered in 1984, as part of the alleged fraud, which also involved forged foreign currency forward contracts. Companies use these contracts to protect themselves against currency fluctuations.

The disclosure was followed quickly by a management shake-up at Volkswagen, in which Mr. Junger and Rolf Selowsky, the managing board member in charge of finance, lost their jobs. Six other members of the finance department were suspended.

Mr. Junger said in late March he had filed suit contesting his firing by Volkswagen with the labor court of the Brunswick district, and would sue the automaker for "a couple of million marks" in damages.

After the management shuffle, which ended a feud between Volkswagen's managing board chairman, Carl H. Hahn, and Mr. Selowsky, there was a flurry of allegations that Volkswagen's top managers learned of the suspected fraud much earlier than they have publicly admitted.

Volkswagen's managers contend their first indications of possible wrongdoing came on Feb. 18, when a dollar forward contract was presented to National Bank of Hungary, which said it had no record or knowledge of the contract. Joachim Schmidt & Partner KG had been known to act as a broker for National Bank of Hungary.

The news of Mr. Junger's arrest may mute questions about the competence of Volkswagen's managers, and provide a boost for Mr. Hahn, according to West German stock market sources. Many observers believe his job is on the line.

"The company claimed from the beginning that it was hurt by criminal actions, rather than mismanagement," said an equities analyst in Frankfurt. "This backs up that contention. Whether management acted properly or not is less of an issue now."

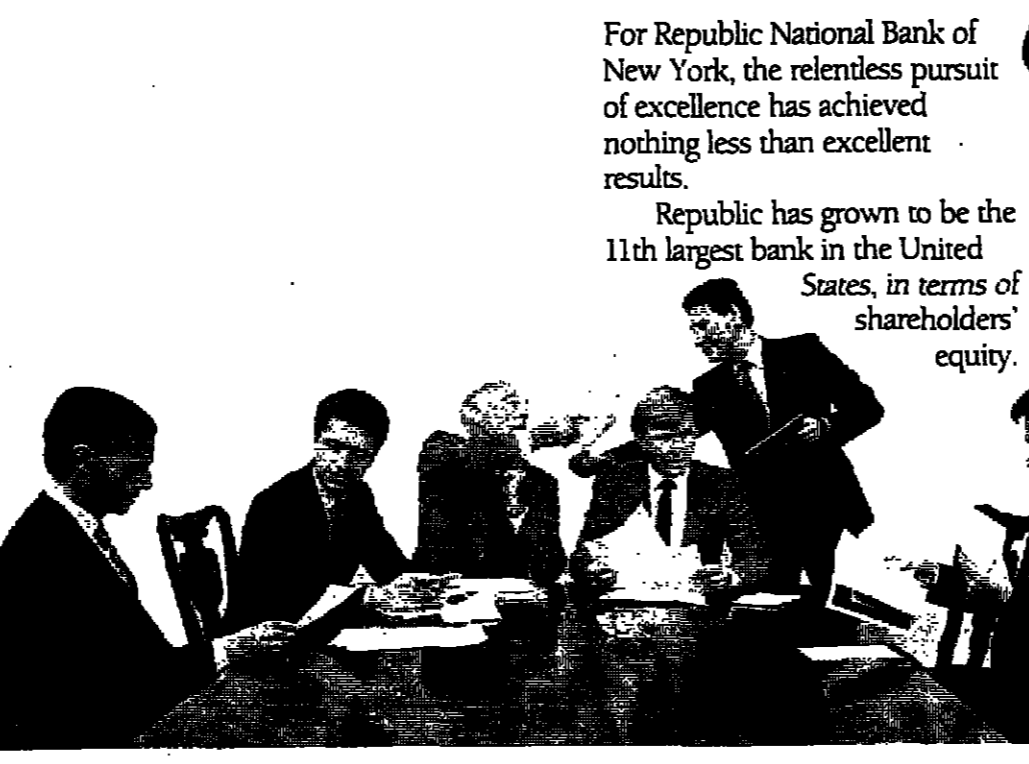
Currency Rates

| Cross Rates | April 7 |
|-----------------|---------|
| American dollar | 2.05 |
| British pound | 1.65 |
| French franc | 6.55 |
| German mark | 2.36 |
| Italian lira | 2036 |
| Japanese yen | 163.6 |
| Swiss franc | 1.48 |
| U.S. dollar | 1.93 |
| U.S. dollar | 1.93 |
| U.S. dollar | 1.93 |

Interest Rates

| Key Money Rates | April 7 |
|-----------------|---------|
| Discount rate | 5% |
| 1-month | 7 1/4% |
| 3-month | 7 1/4% |
| 6-month | 7 1/4% |
| 1-year | 7 1/4% |

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| FIGURES AS AT DECEMBER 31, 1986: | |
|----------------------------------|-------------------|
| TOTAL ASSETS: | US \$ 168 billion |
| SHAREHOLDERS' EQUITY: | US \$ 1.6 billion |

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere.

High Low Stock Div. Yld. PE 52-Week High Low

Table of stock prices for various companies including IBM, AT&T, and others.

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table of stock prices for various companies including American Express, Coca-Cola, and others.

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table of stock prices for various companies including General Electric, Johnson & Johnson, and others.

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table of stock prices for various companies including McDonald's, Nike, and others.

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table of stock prices for various companies including American Airlines, Boeing, and others.

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table of stock prices for various companies including Ford, General Motors, and others.

12 Month High Low Stock Div. Yld. PE 52-Week High Low

Table of stock prices for various companies including Intel, Microsoft, and others.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 7th April 1987

Large table listing various international funds with columns for fund name, price, and other details.

Other Funds

Table listing other funds including American Express, Coca-Cola, and others.

Other Funds

Table listing other funds including American Express, Coca-Cola, and others.

Other Funds

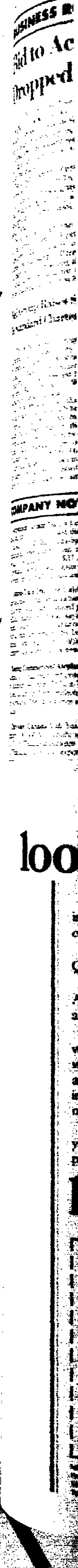
Table listing other funds including American Express, Coca-Cola, and others.

Other Funds

Table listing other funds including American Express, Coca-Cola, and others.

DM - Deutsche Mark; BF - Belgium Francs; CS - Canadian Dollars; FF - French Francs; FL - Dutch Florin; LF - Luxembourg Franc; ECU - European Currency Unit; SFR - Swiss Franc; Y - Yen; AS - Australian Dollars; A\$ - Australian Dollar; NZ\$ - New Zealand Dollar; N.A. - Not Applicable; N.C. - Not Communicated; N.S. - Not Specified; S.F. - Stock Exchange

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.



BUSINESS ROUNDUP

Bid to Acquire Gencorp Dropped by Partnership

NEW YORK — An investor group dropped its hostile bid Tuesday to acquire Gencorp Inc. in light of Gencorp's proposed restructuring that includes a \$1.6 billion stock buyback.

Bell Group Raises Stake in Standard Chartered

LONDON — Bell Group International Ltd., headed by Robert Holmes a Court of Australia, has raised its stake in Standard Chartered PLC to 14.9 percent from 10 percent.

COMPANY NOTES

Argonami Group Inc., a Los Angeles-based property and casualty insurer, said that Clarendon Group Ltd., a closely held Bermuda-based concern with other insurance operations, had made an unsolicited proposal to acquire it for \$37 a share.

Bond Ruling Rattles Texaco Suppliers

By Thomas C. Hayes

DALLAS — Some suppliers of Texaco Inc. say they are concerned that the third-largest U.S. oil company may file for protection following Monday's Supreme Court ruling that it must appeal an \$11 billion bond requirement in the Texas state courts.

The bond requirement, which had been reduced to \$1 billion by a U.S. appeals court, was imposed when Texaco lost a court decision to Pennzoil Co. in 1985. Under Texas law, Pennzoil is entitled to place liens on Texaco property unless Texaco posts security in the full amount of the judgment in the case while the case is being appealed.

UAL Suggests Pilots' Offer Is Threatened by Level of Debt

By Mark Potts

WASHINGTON — UAL Inc. has suggested that a \$4.5 billion offer for its United Air Lines subsidiary by the Air Lines Pilots Association could put the airline so badly in debt that it would threaten the job security the pilots seek.

buying spree of UAL stock as analysts suggested that the bid had put the company "in play" and could lead to a takeover by another suitor if the pilots' bid is unsuccessful.

Stock in UAL, which plans to change its name to Allegis Corp. on May 1, soared \$6.50 a share to \$65.50 in active trading Monday on the New York Stock Exchange.

"The proposal," UAL said, "raises a number of serious issues." "Important among these," it continued, "is the debt position of the airline as an independent company. If it could finance a \$4.5 billion purchase, the union would have to commit the airline to a level of indebtedness equal to 90 percent or more of its total capitalization.

"Also of concern is that highly leveraged companies often have resorted to lowering wage and pension benefits or selling off assets to help pay off their debt," UAL said.

Although the financing has not been lined up, one industry analyst said Monday, "Lazard Freres is an extremely well-respected, good investment banking house, and I don't think they'd get involved in this if they didn't think it would work."

2 at Merrill Lynch Dismissed

LONDON — Two British employees of Merrill Lynch & Co. were dismissed and two others disciplined for running up \$124,300 (\$201,000 in debts while gambling on the price movements of stocks and bonds, a spokesman said Tuesday, Merrill Lynch was informed of the debts by the bookmaker involved, City Index Ltd.



David Boies

year — would probably be ended. Under Chapter 11, a company keeps operating. J. Eugene Overmeyer, president and chairman of Tokheim Corp., of Fort Wayne, Indiana, which sells service station equipment and other products to Texaco, said he was seeking advice from lawyers and accountants about Texaco's situation.

Japan Semiconductor Cuts May Lead to U.S. Shortage

By Andrew Pollack

SAN FRANCISCO — Japan's moves to cut the production of computer chips could lead to a shortage of the vital semiconductors, according to some computer and semiconductor industry executives.

The executives said they thought Japan's Ministry of International Trade and Industry was deliberately choking off the supply of chips to hurt American computer makers. But others were skeptical that any shortage would arise soon.

The cuts come at a time when the Reagan administration has announced tariffs, scheduled to take effect April 17, on selected Japanese electrical and electronic products. Prime Minister Yasuhiro Nakasone of Japan urged Monday that the administration rescind them.

A shortage would be a sharp reversal from the situation of the past two years, when the world has been awash in silicon chips. "I don't know if anyone's hurting right today, but they are anticipating a problem," said Vico E. Henriques, president of the Computer and Business Equipment Manufacturers Association, whose members include major users of computer chips.

The production cuts have been ordered by the Japanese government in an attempt to mollify American critics who say that the Japanese have violated last year's trade agreement requiring Japan to stop selling chips abroad for less than the production cost.

The cuts amount to more than 30 percent of production and are aimed at raising prices and denying supply to so-called gray markets, distributors who sell chips for low prices in Asian countries. The trade ministry has also begun requiring export licenses for shipments valued at as little as 50,000 yen (\$342), rather than 1 million yen (\$6,850) as before.

Some chip makers in the United States charge that Japan wants to cut the supply of chips to hurt American computer makers and turn them against the trade agreement.

Drilling Tool Venture Formed by USX, Armo

Agence France-Press

HOUSTON — USX Corp. and Armo Inc., another steel company, have begun a joint venture to consolidate production of petroleum equipment.

The new company, National Oilwell, will be equally controlled by USX and Armo. It will employ 2,200 people, operate nine plants in the United States and abroad, and generate annual revenue of more than \$300 million, David Higbee, the joint venture's president, said Monday.

EDS Plans Japan Venture

Reuters

TOKYO — Electronic Data Systems Corp., the world's largest computer services company and a General Motors Corp. subsidiary, will set up a joint venture in Japan with Nippon Information Industry Corp., that software development company said Tuesday.

Nippon Electronic Data Systems will introduce factory automation systems developed by GM.

Advertisement for Futures & Options on Futures, Gold & Silver, Currencies, Financial Instruments, Stock Indexes. Includes contact information for Republic Clearing Corporation.

Advertisement for Pacific Selection Fund N.V. Net Asset Value on April 2, 1987. U.S.\$0.18 per U.S.\$1 unit.

Advertisement for Asia Pacific Growth Fund. Weekly net asset value on April 2, 1987. U.S.\$2.73.

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Neither do global asset managers if you examine them carefully. For example, the Julius Baer Group, which has over 40 years experience in international portfolio management. Headquartered in Zurich, Bank Julius Baer also operates in London and New York, bringing together a strong team of international money managers and state-of-the-art technical facilities.

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Tuesday's NYSE Closing

Tables include the narrowest prices to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: Div, Yld, PE, etc. for various stocks.

(Continued)

Continuation of stock market data table.

Table with columns: Div, Yld, PE, etc. for various stocks.

(Continued)

Continuation of stock market data table.

Table with columns: Div, Yld, PE, etc. for various stocks.

(Continued)

Continuation of stock market data table.

U.S. Futures

Via The Associated Press

Table with columns: Season, High, Low, etc. for various futures.

Grains

Table with columns: Season, High, Low, etc. for grain futures.

SOYBEANS (CBT)

Table with columns: Season, High, Low, etc. for soybean futures.

SOYBEAN MEAL (CBT)

Table with columns: Season, High, Low, etc. for soybean meal futures.

SOYBEAN OIL (CBT)

Table with columns: Season, High, Low, etc. for soybean oil futures.

Livestock

Table with columns: Season, High, Low, etc. for livestock futures.

Currency Options

Table with columns: Season, High, Low, etc. for currency options.

Food

Table with columns: Season, High, Low, etc. for food futures.

COFFEE (NYCSC)

Table with columns: Season, High, Low, etc. for coffee futures.

SUGAR (NYCSC)

Table with columns: Season, High, Low, etc. for sugar futures.

COCOA (NYCSC)

Table with columns: Season, High, Low, etc. for cocoa futures.

Metals

Table with columns: Season, High, Low, etc. for metal futures.

ALUMINUM (COMEX)

Table with columns: Season, High, Low, etc. for aluminum futures.

COPPER (COMEX)

Table with columns: Season, High, Low, etc. for copper futures.

SILVER (COMEX)

Table with columns: Season, High, Low, etc. for silver futures.

PLATINUM (NYMEX)

Table with columns: Season, High, Low, etc. for platinum futures.

PALLADIUM (NYMEX)

Table with columns: Season, High, Low, etc. for palladium futures.

MUNICIPAL BONDS (CBT)

Table with columns: Season, High, Low, etc. for municipal bonds.

GOVERNMENT BONDS (CBT)

Table with columns: Season, High, Low, etc. for government bonds.

EURODOLLARS (IMM)

Table with columns: Season, High, Low, etc. for Eurodollars.

BRITISH POUND (IMM)

Table with columns: Season, High, Low, etc. for British pound.

CANADIAN DOLLAR (IMM)

Table with columns: Season, High, Low, etc. for Canadian dollar.

FRANC FRANK (IMM)

Table with columns: Season, High, Low, etc. for franc.

GERMAN MARK (IMM)

Table with columns: Season, High, Low, etc. for German mark.

JAPANESE YEN (IMM)

Table with columns: Season, High, Low, etc. for Japanese yen.

SWISS FRANC (IMM)

Table with columns: Season, High, Low, etc. for Swiss franc.

EURO (IMM)

Table with columns: Season, High, Low, etc. for Euro.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table with columns: Company Name, Revenue, Profits, etc.

NYSE High-Lows

Table with columns: Company Name, High, Low, etc.

Table with columns: Company Name, High, Low, etc.

NEW HIGHS 1987

Table with columns: Company Name, High, etc.

Table with columns: Company Name, High, etc.

Paris Commodities

Table with columns: Commodity Name, Price, etc.

London Commodities

Table with columns: Commodity Name, Price, etc.

Asian Commodities

Table with columns: Commodity Name, Price, etc.

Singapore Rubber

Table with columns: Commodity Name, Price, etc.

London Metals

Table with columns: Commodity Name, Price, etc.

S&P 100 Index Options

Table with columns: Index Name, Price, etc.

Spot Commodities

Table with columns: Commodity Name, Price, etc.

DM Futures Options

Table with columns: Option Name, Price, etc.

Dividends

Table with columns: Company Name, Dividend, etc.

South Korea Shipyards Report Rise in Orders

SEOUL — South Korean shipyards received orders for 25 ships valued at a total of \$352 million...

U.S. Treasuries

Table with columns: Treasury Name, Price, etc.

DM Futures Options

Table with columns: Option Name, Price, etc.

Dividends

Table with columns: Company Name, Dividend, etc.

South Korea Shipyards Report Rise in Orders

SEOUL — South Korean shipyards received orders for 25 ships valued at a total of \$352 million...

To Our Readers

Floating rate note prices were not available in this edition because of transmission delays.

THE BELLE EPOQUE IN THE PARIS HERALD by Hebe Dorsey. First hand reports of the giddy, glamorous lives of turn-of-the-century international society and the events that influenced their lives.

International Herald Tribune, Book Division, Herald Tribune. 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Payment is by credit card only.

Paris Commodities, London Commodities, Asian Commodities, Singapore Rubber, London Metals. Tables of commodity prices.

S&P 100 Index Options, Spot Commodities, DM Futures Options, Dividends, South Korea Shipyards Report Rise in Orders.

U.S. Treasuries, DM Futures Options, Dividends, South Korea Shipyards Report Rise in Orders, To Our Readers.

BUSINESS PEOPLE

CBS to Pay Wyman Several Million

By Arthur Higbee
International Herald Tribune

Thomas H. Wyman, forced out of chairman of CBS Inc. last September, has received a settlement that could reach more than \$4.3 million and an annual payment of \$400,000 for life, according to a CBS proxy statement.

Mr. Wyman, 57, also received the right to exercise stock options worth an undisclosed amount, according to the proxy, which was released Monday. Mr. Wyman received \$1.1 million in salary and bonuses for 1986.

The proxy statement showed that Laurence A. Tisch, 64, the chief stockholder, who took over from Mr. Wyman as chief executive, will be paid \$750,000 this year. Mr. Wyman left CBS after losing a boardroom battle with Mr. Tisch over the company's direction.

The agreement with Mr. Wyman, 57, called for his employment to continue through the end of last year, for which he was paid \$808,654 in base salary and \$293,859 in bonuses, the proxy showed.

Mr. Wyman's settlement called

for him to collect \$555,756 last Jan. 6 as payment of his accrued bonus at installments, or a lump-sum payment of \$2.8 million next January.

It also required CBS to provide an office and a secretary for Mr. Wyman through 1987.

When queried by The New York Times, CBS declined to comment on the settlement. Mr. Wyman could not be reached for comment.

The proxy said that senior officers of the company would not be awarded stock options, an apparent reflection of the company's poor performance last year.

The proxy noted the contract settlement of an unnamed "executive officer" of the company. The Times said he was identified by CBS officials as Van Gordon Sauter, the former president of CBS News, who was forced to resign the day after Mr. Wyman left the company.

Mr. Sauter is to be paid the full amount of his base salary, estimated to be more than \$300,000 annually through the remainder of his five-year contract, which ends Sept. 30, 1990. He is also to be paid a full bonus for 1986 and 50 percent of

the bonuses he would have received in the remaining four years of his contract. The amount of the bonus was not disclosed.

Greenwell Montagu Securities, the institutional-equity broking and research arm of Midland Bank PLC, has opened a Hong Kong branch, Greenwell Montagu (Far East) Ltd. and has recruited David Guest from Hoare, Govett in Hong Kong to run it.

The Institute of Foreign Bankers Inc., a New York-based association of 230 international banks from 55 countries operating in the United States, has recruited Lawrence Ulick for the new post of executive director and counsel. Mr. Ulick, 42, an American citizen, previously was vice president and assistant resident counsel at Morgan Guaranty Trust Co. in New York.

Wheeling-Pittsburgh Steel Corp. said its board accepted the resignations of John D. Fry, president and chief operating officer, and Francis P. Massco, vice president, secretary and general counsel. This follows the resignation of George A. Ferris on March 17 as the company's

3 Aides Resign At Lear Siegler

New York Times Service
SANTA MONICA, California — The new owners of Lear Siegler Inc. said that Norman A. Berkeley, president, chairman and chief executive officer, had resigned, as had two other executives.

Forstmann Little & Co. led a \$2.1 billion leveraged buyout of Lear in January. It said Richard W. Vieser, a Forstmann official, would succeed Mr. Berkeley.

Ronald V. Paolucci and Lawrence A. Thompson, both Lear senior vice presidents, are to be succeeded by Robert A. Kenkel, a Forstmann manager who has been named executive vice president and chief operating officer.

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|------------------|--------------------------------|--------------------------|-------------------------------|----------------------------------|---------------------------|----------------------------------|-----------------------------|
| AM Aeromexico | RK Air Afrique | AH Air Algerie | AC Air Canada | AF Air France | AI Air India | IT Air Inter | UL Air Lanka |
| CO Copa | RJ Alia | AZ Alitalia | BG Bangladesh Airlines | BA British Airways | BR British Caledonian | CA CAAC | CX Cathay Pacific |
| LX Lufthansa | DI Doha | MS Egyptair | GF Gulf Air | IB Iberia | JL Japan Airlines | KL KLM Royal Dutch Airlines | KE Korean Air |
| LH Lufthansa | MH Malaysian Airline System | ME MEA | PK Pakistan Intl. Airlines | PA Pan American World Airways | PR Philippine Airlines | QF Qantas Airways | AT Royal Brunei Airlines |
| SV Swedia | SK Scandinavian Airlines | SQ Singapore Airlines | SA South African Airways | SR Swissair | TP TAP Air Portugal | TG Thai Airways International | UA United Airlines |
| | | | | | | | UT UTA |
| | | | | | | | RG Yangon Airways |
| | | | | | | | WA Western Airlines |

MINIS: Cheap Imported Cars Projected to Take 12% of U.S. Market by 1991

(Continued from first finance page)

Our cars just can't afford those prices," said Global's Mr. Prior, whose basic Yugo GV carries the same \$3,990 port-of-entry sticker that it came with in 1985.

Taxes, tags, options and other costs could boost the Yugo GV's final price into the \$5,500 range. But if that \$1,500 in extra charges were added to a \$5,000 base sticker, about 40 percent of Yugo's buyers could not afford to buy a car of any kind, Mr. Prior said.

"That extra \$1,500 on a typical payment plan is about \$38 more a month," Mr. Prior said. "The conventional wisdom says that for another \$38, you might as well go with something that has a proven record, a Toyota or something like that. But for a lot of the customers of Yugo, that extra \$38 a month is a gulf that cannot be bridged."

Minicars usually have overall lengths of 150 inches (380 centimeters) or less and are powered by engines of less than 1.5 liters in displacement. Base sticker prices for the minis start from the Yugo GV's current \$3,990 and go up to about \$6,500.

In 1986, 582,894 minicars and like-bodied subcompact models were sold in the United States, compared with 497,623 sold the previous year, according to Detroit-based Ward's Research.

J.D. Power & Associates, an automotive-marketing research firm based in Westlake Village, California, estimates that 1.4 million minicars, 12 percent of the U.S. auto market, will be sold in this country in 1991.

Most of those will be imports, brought in from Brazil, India, Japan, South Korea, Malaysia, Mexico, Taiwan and Yugoslavia.

Whether all of these countries can produce cars that Americans will accept is not known. But Korea already is emerging as a major player in the minicar field, particularly with the stunning U.S. introduction last year of its 1.5-liter Hyundai Excel cars, produced by Hyundai Motor Co.

Hyundai said its goal was to sell 100,000 of its subcompact Excel models in the United States in 1986. But the company broke all introductory-year import sales records by selling 168,882 cars.

That kind of success is bound to attract more minicar competitors,

said Christopher Cedergren, an analyst with J.D. Power. "We're going to see a tremendous influx of these low-priced cars, many of which will be of good quality and fun to drive," Mr. Cedergren said.

Mr. Ingram, of the used-car group, said he is certain that minicar sales will grow, but is skeptical about the quality of the tiny, mostly front-wheel-drive vehicles.

"We have a real concern that the quality of these import cheapies isn't all that it's supposed to be," Mr. Ingram said. "We feel that some people may be buying these cars without a full understanding of what they're really getting into."

Lisa Rejali and Eric Rost, who live in the District of Columbia, agree with Mr. Ingram's assessment. They bought a Yugo GV in Baltimore on Christmas Eve in 1985. The car has been "disastrous," Miss Rejali said.

A June 1986 survey by J.D. Power of Yugo owners said: "Unfortunately, Yugo buyers have a lot of

problems with their cars, both at and since taking delivery."

"The Yugo is the one car most prone to product problems of any car available in the United States," the survey said.

Mr. Prior and other Global Motors officials agree that many of the Yugo cars sold in the United States in late 1985 had faults.

Those defects, coupled with unfavorable media reviews of the Yugo, helped to knock the Yugo off its 1986 U.S. sales target of 60,000 cars. That year, the company sold 35,970 of the Yugo models, which are based on the Fiat 128.

But the problems are now corrected, Mr. Prior said. Zavodi Crvena Zastava, or Red Flag Works, made at least 176 production changes in the Yugo, correcting such things as faulty wiring harnesses, according to Mr. Prior and other Global Motors officials.

The changes have improved the Yugo's quality, Mr. Prior said. And Mr. Cedergren, the J.D. Power analyst, agrees.

"I tend to be a little bit more bullish on Yugo than I was in the past," Mr. Cedergren said. "If the quality continues to improve, Zastava could be the first manufacturer of the truly disposable car. You drive the hell out of it for three years and then you throw it away. Who cares about the resale value of a disposable car?"

The Yugo could be a 'truly disposable car. You drive the hell out of it for three years and then you throw it away.'

— Christopher Cedergren, auto-industry analyst

Herald Tribune BUSINESS/FINANCE

BIGGER & BETTER.

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- Tuesday: International Stock Markets and Commodities.
- Wednesday: International Manager.
- Thursday: Wall Street Watch.
- Friday: Technology.
- Saturday: Economic Scene/Business Profile.
- Wednesday/Thursday/Friday: Business People.
- Tuesday through Saturday: Currency Markets/Euromarkets.
- Personal Investing on the second Monday of every month. And the latest financial figures every day.



LUXLANE S.A.

Notice is hereby given that the Annual General Meeting of the company will be held at the offices of Hoogewerf and Co. S.A. (HOCOLUX), 25, Boulevard Royal, Luxembourg, on Friday, April 17th, 1987, at 10:00 a.m. to conduct the ordinary business of the company.

The official agenda of the meeting and copies of the latest annual report and audited accounts will be available as from March 25th, 1987, for collection from the offices of HOCOLUX and the specified paying agents.

Shareholders may vote at the meeting either by attending in person with their share certificates or by depositing their certificates with a bank. In the latter case special bank depositary receipts to the order of a specified paying agent, voting certificates and certificates of block voting instructions must be filed with a specified agent by 2:00 p.m. on Wednesday, April 15th, 1987. The certificate of block voting instruction, voting certificates and special bank depositary receipts may be obtained from a specified paying agent.

Reg. Office: Edificio Bank of America, Calle 50, Apartado 6307, Panama 5

By order of the Board: F.N. Hoogewerf, Secretary

Paying agents: Banque Générale de Luxembourg S.A., 27 Avenue Monterey, Luxembourg.

Rea Brothers PLC, King's House, 36-37 King Street, London EC2, England.



"Don't let the good things in life pass by.."

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| 12 Month High | Low | Stock | Div. Yld. | PE | 52 High | 52 Low | Open | Close | Chg. |
|---------------|-----|--------|-----------|----|---------|--------|--------|--------|------|
| 15 | 14 | ACI | 1.20 | 12 | 15 | 14 | 14 1/2 | 14 1/2 | + |
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CURRENCY MARKETS

Dollar Modestly Lower in New York

NEW YORK — The dollar ended with modest losses against most major currencies on Tuesday as the market awaited a final round of negotiations...

Table titled 'London Dollar Rates' showing exchange rates for various currencies like Deutsche mark, Swiss franc, etc.

Mr. Miyazawa of his hour-long conversation with the U.S. Treasury secretary, James A. Baker 3d.

Volcker Says Dollar's Fall Is Threat to Growth

WASHINGTON — Paul A. Volcker, the Federal Reserve Board chairman, said Tuesday that further sharp drops in the value of the dollar could harm world economic growth.

Foreign Banks Taking Cooler Look at German Operations

FRANKFURT — Foreign banks in West Germany are reassessing their positions after changes in the markets and the regulatory environment have dampened enthusiasm for expansion here.

limit bank lending to 18 times shareholders' equity and reserves. Brian Kissack, president of the Foreign Banks Association, said, "It's not a positive sign, it could cause certain people who are not in West Germany to query whether it was as attractive to get in now."

federal coalition government, Bonn has ended hopes it would soon be abolished. The tax is 0.25 percent on each side of a securities trade by a nonbank, but it is not levied on public authority bonds.

TAKEOVERS: Human Factor

(Continued from first finance page) "said Mr. Hunt, "as though he had had something bad and shameful to the company acquired."

regarded as failures, nobody bothered to communicate anything or did so through memos and newsletters. People were left not knowing who they reported to or what their responsibilities were.

AIRBUS: Shelving of Engine Puts Jet's Future in Doubt

(Continued from Page 1) ket, the plane's future also depends on a decision by the consortium's four member governments, West Germany, France, Britain and Spain, to authorize an estimated \$4.5 billion in development funding.

along," he said. "If IAE is scrapping the SuperFan, it's a whole new ball game between Airbus A-340 and McDonnell Douglas MD-11, as well as Boeing's 767."

Baker Debt Plan Assailed at Talks

WASHINGTON — Developing nations meeting here for conferences of the World Bank and International Monetary Fund have staked out a position against the plan offered 18 months ago by the U.S. Treasury secretary, James A. Baker 3d, to resolve Third World debt problems.

Tuesday's OTC Prices NASDAQ prices as of 4:30 P.M. New York. Via The Associated Press.

Table of OTC prices for various stocks including ADC, AIG, AIA, etc.

Table of stock prices for various companies including AIG, AIA, etc.

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AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. AMEX High-Lows.

SPORTS

Davis Leads Reds to 11-5 Victory in Opener

Compiled by Our Staff From Dispatches CINCINNATI — The largest regular-season baseball crowd in Riverfront Stadium history witnessed a phenomenon that has been predicted all spring — the dominance of Eric Davis.

BASEBALL ROUNDUP

a resume of his skills. The 24-year-old center fielder went 3-for-3 (including a home run), walked twice, stole two bases, scored two runs and drove in three runs.

pitch over the center-field wall. An Astrohome record opening-day crowd of 44,585 saw winner Mike Scott, last year's Cy Young Award winner, give up eight hits and three runs in seven innings.

Giants 4, Padres 3: In San Francisco, Chili Davis singled home Jeffrey Leonard from second base with two out in the 12th to help the Giants spoil Larry Bowa's major-league managing debut.

Brewers 5, Red Sox 1: In the American League, in Milwaukee, Robin Yount drove in two runs with a single and a double and Jim

Gantner added three hits to lead the Brewers past Boston.

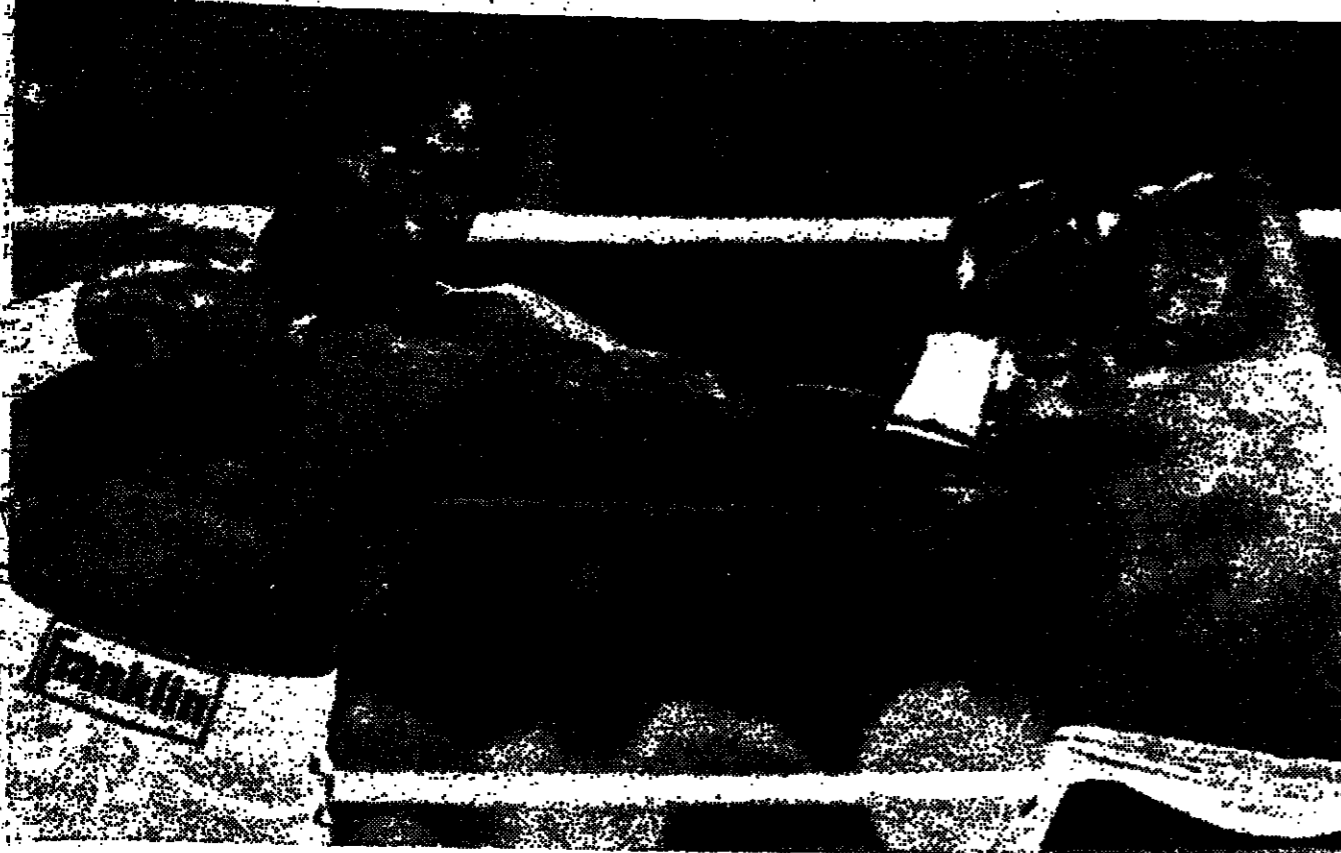
Orioles 2, Rangers 1: In Baltimore, Cal Ripken Sr. joined Milwaukee's Tom Trebelhorn as a winner in his major-league managing debut when Larry Sheets' ninth-inning sacrifice fly scored Rennie Gonzales. With one out in the ninth, Ray Knight singled off reliever Greg Harris; pinch runner Gonzales advanced to third when Harris' pickoff throw was wild.

Yankees 7, Tigers 1: In Detroit, Rickey Henderson doubled home Claudell Washington with two out in the 10th to lift New York. Washington and Wayne Toffelson had back-to-back singles with two out before Henderson's game-winner.

It was the Yankees' first opening day victory on the road since they beat the Washington Senators in 1969. In the interim, they had lost 10 road openers and were 3-15 overall.

White Sox 5, Royals 4: In Kansas City, Missouri, Harold Baines and Tim Lincecum delivered run-scoring singles in a four-run second inning that helped speed Billy Gardner's managerial debut. Baines (who also had an RBI double), Hulett and Ozzie Guillen each had two of Chicago's eight hits.

Blue Jays 7, Indians 3: In Toronto, Lloyd Moseby's bases-empty homer was the first hit of the 1987 season, and he added a bases-loaded single to power the Blue Jays past Cleveland. (UPI AP)



Sugar Ray Leonard, connecting with a hard left in the opening round of his title fight against Marvelous Marvin Hagler.

Leonard Defeats Hagler on Split Decision

By William Gildea Washington Post Service LAS VEGAS — Sugar Ray Leonard made boxing history Monday night.

In one of the most improbable victories in the history of the sport, the former welterweight champion made good on his prophecy of a victorious comeback, scoring a 12-round split decision over the heavily favored Marvelous Marvin Hagler, who had not lost in 11 years and who had held the middleweight title since September 1980.

Fighting for only the second time in five years, Leonard, 30, rendered a masterful boxing exhibition, alternately surviving punishment, and dancing and taunting Hagler.

Recapitulating from 1979-81 his old speed, timing, combination punching power and ability to take punishment, Leonard lifted the World Boxing Council's version of the middleweight title from a reluctant stakeholder who had not been beaten in 27 straight fights, including 12 title defenses.

Two judges, Jolo Gaerza and Dave Moretti, ruled in favor of Leonard, 118-110 and 115-113, respectively. The third judge, Lou Filippino, scored the fight 115-113, for Hagler.

Leonard left the ring without injury to his left eye, the one that was surgically repaired in 1982, after taking the best punches of a champion known for his relentless, attacking style.

In a victory that momentarily left him exhausted — moments after the final bell he slumped to the canvas and had to be lifted by his trainers — Leonard (34-1, with 24 knockouts) became the 10th fighter to win titles in three weight classes and the first champion ever to come out of retirement and win a title at a higher weight level without benefit of a tuneup fight. As he had predicted, he had defied history.

The pivotal round was the ninth. Leonard's virtuosic performance might have gone for naught had he not been able to call upon all his savvy to survive an outright pummeling by Hagler. Stilled cool but hurt badly, Leonard called upon all his

resources to save his great dream. "Everybody thought it was an impossible task — that's what everybody said," Leonard said later. "I prepared myself for a year. This is the first time a young guy was against an older guy in a comeback. This fight meant the world to me. I'd like to extend my congratulations to Marvin Hagler for giving me the opportunity to make history."

Leonard declined to say whether he would fight again. "I'm just going to go home and rest," he said, "rest up and take one day at a time." But before leaving the news conference, he said: "I'll see you in six months and 15 pounds."

Leonard scored effectively with lead right hands and rights to the body while ducking or sidestepping right hooks from the left-handed Hagler. Frustrated, Hagler at times shifted to a right-handed stance, but still could not land effectively or often.

Despite carrying 158 pounds (71.6 kilograms), about 10 more than he did almost his entire pro career, Leonard did not wilt. In the fifth round, scored unanimously for Hagler, he seemed to lack his earlier zip. Picking up his tempo, Hagler, 32, rocked Leonard with a straight right to the head followed by an uppercut.

In the sixth round, Hagler (158½ pounds) opened with a right to the face, but Leonard responded with a combination to the body. As would happen frequently from this point on, Leonard found himself pummed on the ropes, but managed to jab his way free, making Hagler miss badly with roundhouse rights and lefts.

Hagler scored three solid rights

in the seventh, and it appeared he might be coming back. But Leonard shuffled away, only to be pinned against the ropes as Hagler scored heavily with combinations.

In the eighth round Leonard got a badly needed breather. The fight was stopped briefly as loose lace on his right glove were tightened. Refreshed, Leonard landed two hard rights to the head as Hagler again backed him to the ropes.

The ninth round brought the crisis that could have turned the fight for Hagler. Against the ropes, Leonard elected to continue working inside against Hagler and got caught with four left hands that might have sent a lesser man down.

Instead, Leonard came back slugging in a round reminiscent of the first round in the Hagler-Hearn fight of two years ago. Toe-to-toe, Leonard and Hagler produced one of the great rounds in boxing history. At its end, Leonard swayed as he headed for his corner. But, showing extraordinary resilience, Leonard came back to resume in the 10th round his successful hit-and-run tactics of the early rounds.

Not only did Leonard survive the last two rounds against a puncher notorious for strong finishes, he continued to "pile up" points with his deft combinations. He even taunted Hagler.

In the 12th round, Hagler motioned Leonard forward as if to stop. "Fight," Leonard said. "I'm not going to let you win this way." Leonard scored almost as frequently as Hagler in the final round.

Sensing he was ahead on points, Leonard played it perfectly. He did not run blatantly, nor did he make the nearly fatal mistake he had in the ninth round by slugging. Jab and combinations carried him to the finish with the sellout crowd of 15,366 on his feet.

"I feel in my heart I'm still the champion," Hagler said. "Leonard was tired and had lead in his feet. I took his best punches. The bell

saved him three times. He fought like a girl. They took it away from me and they gave it to Sugar Ray Leonard, of all people. I really hate that."

Hagler said that after the fight "Leonard told me, 'You beat me, man, you beat me.'" Leonard said, through a spokesman, that what he said was: "Marvin, you will always be a champion to me."

Hagler was beaten by a faster fighter, Leonard, almost a 3½-to-1 underdog, had accomplished everything he said he would, winning with upper body movement, combination punching and speed and stamina that never deserted him.

"I knew he had to come on for the knockout," said Leonard, but, in the performance of his life, Leonard stayed clear of harm's way and proved he is the consummate boxer.

And Davis was at the heart of it. He reached base twice in the fourth, stealing second base twice and scoring two runs.

Davis opened the Reds' biggest inning in nearly two years with a walk off starter and loser Floyd Youmans; he stole second, took third on a groundout and scored on a single by Bo Diaz.

Terry Francona, a former Expo who went to Cincinnati's spring training camp as a free agent, followed with a towering two-run homer to right that tied the score, 5-5. Ron Oester walked and scored on a double by Paul O'Neill. Kal Daniels singled off Bill Campbell to bring home O'Neill and Barry Larkin delivered a two-run homer.

Dave Parker kept the inning going with a double and scored on Davis' single off Andy McGaffigan. Davis stole second, took third on a groundout and scored on a wild pitch.

"That particular inning was my time, but we've got eight guys who contribute," Davis said. "All the hitters are tough on this team."

But none is expected to be as tough as Davis, who hit 27 home runs and stole 80 bases in 132 games last year in his first full major-league season.

It was Cincinnati's fifth consecutive season-opening victory. Astros 4, Dodgers 3: In Houston, Jose Cruz hit a two-out home run in the seventh inning to snap a 2-3 tie and lift the Astros past Los Angeles. Cruz put Orel Hershiser's 2-0



Yankee left fielder Dan Pasqua outreached some Tiger fans to snag a fourth-inning pop fly.

Europe's Have-Nots Get Their Shots in Cup Soccer Semifinals

International Herald Tribune LONDON — Money talks in European soccer, but not, thank goodness, exclusively.

Much to UEFA's chagrin, the rich have "devoured" the rich this season — a consequence of leaving cup draws open to chance, which is the essence of cup soccer. Never again. The glamour clubs are to UEFA what Joan Collins is to soap opera: compulsive box office, even if making critics view them as past their best.

As of next season, the draw will be seeded (in plain language, fixed) so that the big boys avoid one another early on. Why? Because fate, and the small man's opportunism, has dealt Wednesday an intriguing bag of semifinals.

Too bad for UEFA that the billion-lire Real Madrid vs. Juventus draw came in bleak midwinter; aficionados have no complaint about Bayern Munich now locking horns against Real Madrid. The winner should celebrate a spring finale featuring the real class of '86, Dynamo Kiev. That is unless FC Porto fails to read the script and knocks off Kiev in the semis.

The Cup Winners' Cup is a nicely unpredictable affair: Real Zaragoza of Spain vs. Ajax of Amsterdam and Bordeaux trying to win a first major-cup trophy for France against Lokomotiv Leipzig.

But the UEFA Cup harbors real shoestring success. IFK Göteborg, having sold goal-scorer Johnny Ek, is the modest Italian club Empoli, is nevertheless again a semifinalist after eliminating the wealthier Inter Milan. Göteborg now meets Swarovski Tirol, a small club heavily backed by industrial money.

The remaining semi pits Borussia Mönchengladbach of West Germany against Dundee United, whose stars are sold to pay the Scottish tax man.

McLean was wheeled in front of the cameras. "Make no mistake," he said. "It's easy to plan, but it's players who have to be magnificent. We've players here with over 60 games in Europe behind them. They've torn Barcelona apart. I'm so proud I'll

Rob Hughes probably have two ginger beers tonight instead of just the one."

No longer for McLean. But his physiotherapist grapples to get his three men fit, including Scotland's national goalie Billy Thomson, whose ankle ligaments may have to be strapped up to play. The replacement, Alan Main, is a teenage novice.

Pain is part and parcel of poverty, and Paul Sturrock the epitome of Dundee's stoicism.

Wiry and deceptive, Sturrock plays with socks carelessly abandoned around his ankles while teasing some of Europe's hard men.

Now 30, and an inspiration in every round, Sturrock wriggles this way and that, darting in from the left and making the majority of the team's goals with his crosses.

England's gray train passed him by. Perhaps English eyes looked for something more elegant, something more tangible than the spirit that drives Sturrock, in his manager's image, to fight loss causes. He blinks like a schoolboy if you pay him a compliment.

David Narey, another stay-at-home stalwart, organizes the defense with a miser's care.

Mönchengladbach, Dundee's opponent on Wednesday, is a young, inconsistent side, thrashed 4-0 by Frankfurt in the Bundesliga last Saturday, yet a five-goal victor over Feyenoord three weeks ago.

Whether Dundee spirit or Mönchengladbach stealth prevails, the final will be against Göteborg or Tirol.

Göteborg, still built around the Tord brothers and Tommy Holmgren who won the UEFA Cup in 1982, now has a 6-foot-4 (1.93-meter) Finn, Jari Rantanen, at center forward. Tirol has an acrobatic Yugoslav goalkeeper, Tomislav Ivkovic, and a swiftest West German forward in Hansi Müller.

In the Cup Winners' Cup, Zaragoza has survived by its fingertips — with Juan Señor scoring penalties at one end and Andoni Cedrun, keeping goal where his father did before him, spectacularly stopping them at the other.

Zaragoza's opponent, Ajax, is managed by Johan Cruyff, who demands that his prolific goal-scorer, Marco van Basten, complains are "too high for ordinary mortals."

In the other Cup Winners' semi, Bordeaux, for which the long injured José Touré returns to partner Zlatko Vujkovic, opposes the railway club of Leipzig. "There are more skillful teams in Europe,"

says the Lokomotiv coach, Hans-Ulrich Thomele. "But not many we could not overcome with our competitiveness and collective work."

Bordeaux may not be enamored of running into a train four days before meeting Marseille, its rival for the French domestic title. Similar scheduling threatens Real Madrid. On Wednesday it carries Spain's hopes in Munich; come the weekend, any remaining stamina and confidence will be put to Barcelona's sword.

Madrid has "won" the regular 34-game league season, but Spanish greed for profit now adds spinous "playoff" games to a race already run.

The old days are gone, although two old soldiers play on in Munich's Olympic Stadium. Bayern has not been able to resist the aerial friskiness of Dieter Hoenes, big, balding and, at 33, still effective enough to claim his 100th goal for the club last Saturday.

Madrid loses the Argentine Jorge Valdano to hepatitis and the Mexican Hugo Sanchez to suspension, and treads over the ankle of Emilio Butragueño. So back comes Carlos Santillana who, 34, has been everywhere and done everything in the game.

Money cannot buy youth. Money cannot buy experience. And money cannot rule the game so completely as its rulers would like.

SCOREBOARD

Transition

BASEBALL American League BOSTON—Pleasant Denny Boyer, pitcher, on 4-day disabled list retroactive to March 28. KANSAS CITY—Pleasant Denny Boyer, pitcher, on 15-day disabled list. BOSTON—Sérgio Mota, pitcher, on 15-day disabled list. NATIONAL LEAGUE BOSTON—Pleasant Denny Boyer, pitcher, on 15-day disabled list. NATIONAL LEAGUE BOSTON—Pleasant Denny Boyer, pitcher, on 15-day disabled list.

Baseball

Monday's Major League Line Scores

Table with columns for American League and National League, listing teams and scores.

Basketball

National Basketball Association Standings

Table showing Eastern Conference and Western Conference standings for various NBA teams.

Major League Standings

Table showing American League and National League standings for various MLB teams.



Paul Sturrock The epitome of Dundee's stoicism.

INTERNATIONAL CLASSIFIED section containing various classified advertisements for escorts, guides, and other services.

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OBSERVER

Soup and Sunflowers

By Russell Baker
NEW YORK — Yes, I am the secret purchaser who paid \$40 million for one of van Gogh's sunflower paintings...

Q: Then you see the van Gogh as a conversation piece to enlighten tedious evenings with old friends who haven't had anything refreshing to say to each other in years?
A: Namely?

Kurt Sanderling, Composer's Advocate

By Barbara Bell
STRASBOURG — When Kurt Sanderling reached 65, he retired as permanent conductor of the Berlin Symphony Orchestra...



Kurt Sanderling: "A conductor has no reason to be proud, only a composer."

long as orchestras invite me and I am able physically to do the work. I am enjoying music more and more, the more I play."

ever, recorded extensively, with major projects including the complete Brahms symphonies with the Dresden Staatskapelle and Beethoven symphonies with the Philharmonia Orchestra in London.

life and have done some things that were better, some worse and some that were frankly bad. A conductor has no reason to be proud, only a composer."

Randy Travis, Williams Top Country Awards
The Academy of Country Music hailed Randy Travis as male vocalist of the year and gave him the other awards...

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